



Daily Report

China

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General

Li Says Beijing To Fight Drug Abuse

OW2605144195 Beijing XINHUA in English
1431 GMT 26 May 95

[FBIS Transcribed Text] Beijing, May 26 (XINHUA) — The Chinese government is to take a series of effective measures to fight against drug abuse by means of mobilizing the masses, strictly enforcing drug control and strengthening leadership at various levels in this regard, Chinese Premier Li Peng said here today.

The Chinese premier made the statement while meeting with today Giorgio Giacomelli, Executive Director of the United Nations Drug Control Program (UNDCP), and other participants in the First Ministerial Meeting of Sub-Regional Cooperation on Drug Control.

The participants come from Cambodia, Laos, Myanmar [Burma], Thailand, Vietnam and China.

Historically, the Chinese people suffered a lot from drug abuse, Li Peng said. It is the consistent policy of the Chinese government to strictly enforce drug control and the Chinese government has always attached great importance to the work, the Chinese premier stressed.

In recent years, the Chinese government has achieved successes in fighting drug abuse, Li said. Recently, the 13th meeting of the Eighth National People's Congress Standing Committee heard and deliberated a report of the State Council on the nationwide drug control, he added.

China's drug control protected not only the Chinese people but also the people of China's neighboring countries, Li Peng said.

Drug abuse has become a worldwide public disaster, damaging the human society, and the international community is facing a grim situation in this regard, the Chinese leader pointed out. It is necessary to make nationwide efforts for some countries and even regional or global cooperative efforts to tackle the problem, Li Peng said.

China would as always support the UNDCP's move, participate in the sub-regional cooperation and join the neighboring countries to fight drug abuse, Li noted. The elimination of drug-related damage to all countries' economic and political development has become a common obligation of all countries, he stressed.

Giacomelli spoke highly of China's achievement in drug control, praised China's initiative to cooperate with the UNDCP and thanked the Chinese government for its contribution to the sub-regional meeting.

Present at the meeting were Tao Siju, Director of China's State Drug Control Commission and Minister of Public Security, and deputy directors of the Commission.

No Decision on Bid for 2004 Olympics

HK2905104995 Hong Kong AFP in English
0814 GMT 29 May 95

[FBIS Transcribed Text] Hong Kong, May 29 (AFP)— China will keep the world waiting for its final decision on whether to bid for the 2004 Olympics, the country's top sports official said here.

Wei Jizhong, secretary general of the Chinese Olympic Committee, said "China has so far not received relevant information, that is why no decision has yet been made."

Wei, who is in Hong Kong for a function Monday to mark the hosting of the golf World Cup, just across the border in Shenzhen in November, added: "After all, it is still a year from the dateline for the submission of applications."

"Beside Beijing, China has other cities that have the necessary means to host Olympic Games," he told reporters. "Even if China decides it wants to host the Games, it does not mean Beijing should be the host city."

China has been trying to cast aside its drug shadow after the mass failures of last year's Asian Games, to redeem its image with the International Olympic Committee.

Part of the campaign has been to move into new sports and re-establish its superiority in ones it has traditionally ruled. Chinese competitors dominated the recent table tennis and badminton world championships.

China has also emerged as a new force in weightlifting, women's rowing and on Monday announced it would send a five-member team to the world water skiing championships in France in September, with the aim of getting them all in the top eight positions.

He Jianhui, Chinese water skiing team's coach, was quoted by the China-backed Ta Kung Pao newspaper as saying he hoped China could take the top positions.

CPPCC Official at Economic, Social Councils

OW2705061995 Beijing XINHUA in English
0520 GMT 27 May 95

[FBIS Transcribed Text] Lisbon, May 26 (XINHUA) — Zhu Xun, secretary-general of the National Committee of the Chinese People's Political Consultative Conference (CPPCC), attended today the fourth international conference of the economic and social councils (ESC)

of various countries to promote mutual understanding and learn their experience.

During the two-day session, which began today, representatives from more than 40 countries and regions are to discuss the status and role of the ESC and concerned organizations and other issues including the unemployment of the youth.

Zhu, who was at the session as an observer, briefed the participants on the status, democratic character and functions of the CPPCC in the political life of China.

'Differences' in U.S.-DPRK Reactor Talks

OW2905135795 Beijing XINHUA in English
1344 GMT 29 May 95

[FBIS Transcribed Text] Kuala Lumpur, May 29 (XINHUA) — The United States and the Democratic People's Republic of Korea again failed to resolve their differences over the nuclear issue as they ended the fifth round of full delegation talks here today.

The DPRK team led by Vice Foreign Minister Kim Kye-kwan had a three hour meeting with the U.S. team headed by Thomas Hubbard, principal deputy assistant secretary of state for East Asian and Pacific affairs, at the U.S. Embassy here.

Both Kim and Hubbard came up with similar statements that they had "in-depth discussions" on the light water reactors' issue but had no progress to report.

DPRK team member Chong Song-il said the two parties will have another meeting Tuesday [30 May].

Washington and Pyongyang are trying to find a way to implement a framework agreement they reached in Geneva last October, in which Pyongyang commits itself to freezing and eventually dismantling its nuclear program while Washington promises to supply it with light water reactors for electricity generation.

The differences between the two sides center on who should supply the light water reactors.

The U.S. wants Pyongyang to accept two light water reactors supplied by South Korea but Pyongyang refuses. The differences over the issue brought to failure the talks held in Berlin last month. And no progress has been made in the Kuala Lumpur talks so far, which resumed on May 19.

'Tensions' Between U.S., Europe Over Bosnia

OW2905172995 Beijing XINHUA in English
1635 GMT 29 May 95

["Tensions Grow Between U.S. and Europe Over Bosnia" — XINHUA headline]

[FBIS Transcribed Text] London, May 29 (XINHUA) — Tensions between the United States and its European allies have grown further as the situation in Bosnia reached a crisis point, according to press reports here today.

French Prime Minister Alain Juppe last night openly condemned NATO air strikes against Bosnian Serbs, describing them as "thoughtless".

"Ultimatum and air strikes must be used after reflection and preparation," he said, "Last Friday's ultimatum and air strikes were not well prepared and exposed the peacekeepers to thoughtless risks. We must not again carry out this type of operation."

Although he did not name the U.S., it is no secret that Washington had lobbied hard for stronger action against the Bosnian Serbs for two weeks before last week's NATO air raid.

Britain supported the strikes, but as early as last Friday, Douglas Hurd, the foreign secretary, stressed that he did not think that more air strikes were an answer to a situation that has dramatically worsened since.

As a result, there were now no concerted agreement on how to overcome the immediate threat posed by the Bosnian Serbs' use of UN Peacekeepers as "human shields" against further NATO strikes.

Tensions between the U.S. and European countries are interwoven with the story of the West's failure in Bosnia.

From the start the U.S. has been more sympathetic to the country's Muslim-led government and has called for a lifting of the UN arms embargo.

For their part, the European countries were outraged last year when the U.S. unilaterally pulled out of the NATO-Western European Union operation enforcing the embargo in the Adriatic.

A series of diplomatic meetings will be held this week, starting today with an EU foreign ministers' meeting in Brussels and members of Contact Group in the Hague.

It seemed clear that the disagreement between the U.S. and Europe is likely to break out in public again soon, according to the reports.

UN International Drug Control Program Meets

OW2705143595 Beijing XINHUA in English
1340 GMT 27 May 95

[FBIS Transcribed Text] Beijing, May 27 (XINHUA) — A meeting on joint anti-drug actions, attended by ministers of six Asian countries and senior officials of the UN International Drug Control Program (UNDCP), was held in Beijing today.

Ministers from Cambodia, China, Laos, Myanmar [Burma], Thailand, and Vietnam, and the UNDCP officials endorsed an Action Plan for drug control activity in the region over the next three years and the Beijing Declaration pledging continuing cooperation in the field of drug control. They also agreed to add Cambodia and Vietnam to the Memorandum of Understanding (MOU) on Drug Control, which was signed by the governments of China, Laos, Myanmar and Thailand, and the UNDCP at a special anti-drug conference of the 48th United Nations General Assembly held in New York in October 1993.

Ministers attending today's meeting also decided to hold a meeting of the MOU signatory countries and UNDCP in Myanmar in about a year's time to review the progress on the Action Plan.

The Action Plan includes outlines of 11 specific inter-governmental collaborative projects in the areas of drug demand reduction, supply reduction and law enforcement.

The Beijing Declaration calls on all the countries to take more precautions in drug problems and to crack down on drug production, drug trafficking, or drug abuse.

Giorgio Giacomelli, UNDCP executive director, said at the meeting that countries today depend on each other more than any time before, and that the flow of transnational goods and people and the opening-up of the world economy and trade have created chances for illegal drug activities.

He said that he is very pleased to see that Cambodia and Vietnam have become cooperative partners in anti-drug actions in that subregion. This is a good sign for international collaboration to control the spread of drug trafficking, he noted.

Giacomelli said that he expects that the countries of the subregion can make joint decisions and take joint protective action. The UNDCP will also display its role in coordinating anti-drug action, personnel training and supervising joint anti-drug projects, he said.

The meeting was presided over by Tao Siju, head of the Chinese delegation, director of China's State Drug Control Commission and minister of Public Security.

Tao said that narcotics have caused severe international problems threatening human society, and that it is necessary for countries to conduct bilateral, subregional, regional and worldwide collaboration.

After the meeting, Tao told reporters that in the early 1950s, China basically eradicated drug use across the country, but in the current situation of China's opening up to the outside world, drug problems cannot be solved in two or three years, but the Chinese government has made up its mind to take forceful measures against illegal drug cases.

DPRK, Russia, Mongolia Sign Tumen Accord

OW3005094395 Beijing XINHUA in English
0856 GMT 30 May 95

[FBIS Transcribed Text] Beijing, May 30 (XINHUA) — Five Northeast Asian countries signed three agreements here today on future cooperation in developing the Tumen River area that borders China, the Democratic Republic of Korea (DPRK), and Russia.

The heads of delegations from China, the DPRK, the Republic of Korea, Mongolia, and Russia signed the Establishment of the Tumen River Area Development Coordination Committee agreement, which concerns the three countries that share the river boundary.

The five nations also signed the Establishment of the Consultative Commission agreement for the development of the Tumen River Economic Development Area and northeast Asia, and a memorandum of understanding on environmental principles.

The memorandum outlines long-term economic and social development within the Tumen River Economic Development Area, giving full consideration to environmental protection and the conservation of natural resources.

The agreements, which provide a legal framework for cooperation in the region, confirmed the feasibility of establishing a coordinating committee and a consultative commission for international cooperation based on international legal norms, mutual respect of sovereignty, mutual benefit, and neighborly relations, for the five participating nations.

Representatives from the United Nations Development Program (UNDP) and the five participating countries said that the signing of the agreements signals the beginning of a new phase of international cooperation in developing the Tumen River area.

Speaking at the signing ceremony, Long Yongtu, the Chinese representative and assistant to the Minister of Foreign Trade and Economic Cooperation, said

that China has always actively participated in the cooperative development of the Tumen River area and will continue to contribute to international development of the area, based on the principle of equality and mutual benefit.

With the help of the UNDP, the agreements and memorandum, which were described by UNDP officials as historic documents in regional development, were reached after five rounds of talks conducted over the past three years.

Liu Xilin, deputy governor of Jilin Province, which borders on the DPRK, explained the latest developments and efforts made by the Chinese part of the Tumen River area to open to the outside world and seek overseas investment at a press conference.

'Roundup' Views Trade Challenges Facing Asia

OW2905125895 Beijing XINHUA in English
1130 GMT 29 May 95

["Roundup" by Xiong Changyi: "Asia Faces Challenges of Global Trading Environment"]

[FBIS Transcribed Text] Manila, May 29 (XINHUA) — With the conclusion of the Uruguay Round of Agreement and the creation of the World Trade Organization (WTO), Asia is facing challenges of new global trading environment.

The agreement covers greater market access, provides the institutional and dispute settlement mechanism and incorporates new areas such as agriculture, multi-fiber arrangement, intellectual property rights and services into multi-lateral system.

However, due to this comprehensive nature, virtually every country is bound to have reservations in some aspect of the agreement.

In his opening address to the Conference on Emerging Global Trading Environment and Developing Asia, President Mitsuo Sato of the Asian Development Bank (ADB) said today that the newly-created WTO promises to be a much stronger guarantee against the forces of protection than its predecessor institution, the General Agreement on Tariffs and Trade (GATT).

But he noted that well-intentioned concerns with labor and environmental standards carry the potential to turn the WTO into a powerful instrument of protection.

"Yet another development adding to the complexity of the system is the spread of regional arrangements around the world," he continued. "These arrangements have important implications for the evolution of an open world trading system."

On the sensitive issue of trade policy disputes among countries, he said, "These disputes have the potential to be very disruptive of the world trading system."

"A major achievement of the Uruguay Round was to create a dispute settlement process within which conflicts arising out of differences in perceptions can be settled by neutral, objective panels of the WTO," he said.

To preserve the integrity of the global trading system, he said it is critical that "we rely on this agreed-upon process."

Meanwhile, ADB chief economist Vishvanath Desai said that the successful conclusion of the Uruguay Round is a source of considerable relief to the global trading community, but the short- to medium-term effects of the changed trading environment will vary among countries.

He said that the impact on individual countries will depend on their level of development, structure of foreign trade, existing regulatory framework, the extent to which liberalization of markets has been accomplished.

It will also depend on whether measures have already been taken to gear the economy to facing the enhanced competition that could emerge from a liberalized trading environment in both goods and financial services, he added.

The two-day conference, sponsored by the ADB, is attended by some 70 experts from the bank's 10 developing member countries, as well as from international institutions.

It is aimed at helping Asian developing countries assess the likely implications of the changed global trading environment and providing them with an objective assessment of the alternative policy strategies.

United States & Canada

Further on Li Teng-hui Visit to U.S.

Visit Serious 'Retrogression'

HK2605133595 Beijing ZHONGGUO XINWEN SHE
in Chinese 0839 GMT 26 May 95

[FBIS Translated Text] 26 May, Beijing (ZHONGGUO XINWEN SHE) — A commentator's article in today's RENMIN RIBAO points out that the erroneous decision made by the United States in allowing Li Teng-hui to make a so-called "private visit" represents a serious and dangerous retrogression [yan zhong er wei xian di dao tui 0917 6850 5079 0604 7145 4104 0227 6622] in its relations with China.

The article says that it is widely known that Taiwan was once a critical problem affecting the normalization of the relationship between China and the United States. It was only after the U.S. Government had made a clear and definite pledge concerning the Taiwan problem that diplomatic relations were established between the two countries. There is only one China in the world, with Taiwan as part of it. The PRC Government is the only legitimate government for China. In the three Sino-U.S. Joint Communiques, the U.S. Government made a solemn pledge to observe this principle, and declared that it would only "maintain cultural, commercial, and otherwise nonofficial relations" with Taiwan. In breaking its pledges by openly violating the three Sino-U.S. Joint Communiques, challenging China's sovereignty, and hurting the feelings of the Chinese people, the United States cannot but cause indignation. Such rude and unreasonable behavior on the part of the United States certainly will bring serious consequences to Sino-U.S. relations.

The article sees as a gross deception the oft-repeated U.S. claim that Li Teng-hui's visit is a "private one." In whatever manner or capacity, Li Teng-hui will be understood to be manufacturing "two Chinas" or "one China, one Taiwan" when he makes his visit to the United States. Li Teng-hui publicly admitted that the "most important thing in his U.S. visit is the indication of Republic of China's existence." Earlier, a responsible official from the U.S. State Department pointed out clearly that "in light of the high political profile of Li Teng-hui and other Taiwan leaders, even a private visit would be out of line with the nonofficial nature of our relations with Taiwan." The statement could not have been more candid; but it is hard to find even an ounce of the elements of any "private visit." Then, with its previous statements still ringing in our ears, the United States went back on its word, throwing out all the statements it had made before. With what international creditability is the U.S. Government left when it, as the government of a great power, has flip-flopped in this manner?

The article observes that the U.S. Government is very good at using Congress as a patsy — as it has done this time. The reason used by the U.S. Government to defend its erroneous decision was that because both the Senate and the House of Representatives had made their resolutions, the administration did not seem to have much choice but to follow suit. There are, indeed, a number of anti-China elements in Congress who were responsible for making such anti-China resolutions; there was nothing strange in this. As the country's representative, however, the U.S. Government has the responsibility to observe the three Sino-U.S. Joint

Communiques and to honor its pledge to another country. It is true that the U.S. Government clashes with Congress over some issues, but in the current effort to undermine China's sovereignty and unification, their positions are identical; they have only faked differences.

The article believes that although the United States claims to recognize only one China, deep down it does not want China to be unified, and is always looking for an excuse to help it engineer "two Chinas" or "one China, one Taiwan" in an attempt to keep Taiwan as an "unsinkable aircraft carrier" for the United States. There have been new developments in cross-strait relations in recent years. In particular, following President Jiang Zemin's eight-point proposal on the peaceful unification of the motherland, cross-strait relations have warmed up further, with good momentum appearing in economic exchanges, trade ties, and other areas. However, this is a development the United States does not want to see. The United States was aiming to disrupt and undermine the growth of cross-strait relations, and to obstruct China's peaceful unification when it permitted Li Teng-hui to visit the country. High vigilance must be maintained against such a scheme entertained by some people in the United States.

The article stresses that the Taiwan problem has a bearing on China's sovereignty, territorial integrity, and national unification. On this key principle, which concerns China's fundamental interests, China's position is firm and unyielding. China has always valued its relations with the United States, but it absolutely will not tolerate the United States' wantonly undermining its sovereignty. The Chinese people will resolutely defend their national interests and dignity. We hope that the U.S. Government will approach the situation with overall Sino-U.S. relations in mind, and will prevent a historic mistake by immediately revoking the erroneous decision to allow Li Teng-hui to visit the country.

State Council Denounces Visit

OW2605161095 Beijing XINHUA in English
1554 GMT 26 May 95

[FBIS Transcribed Text] Beijing, May 26 (XINHUA) — A spokesman with the Taiwan Affairs Office of the State Council today strongly denounced Li Teng-hui's "so-called private visit" to the United States, which is planned for June.

The action "disregards the righteous cause of nationalism and brazenly creates 'two Chinas' or 'one China, one Taiwan'," said the spokesman, who expressed a great deal of indignation over the U.S.'s interfering in China's internal affairs, sabotaging China's peaceful re-

unification cause, and openly allowing Li to carry out his activities in the United States.

Over the past several years, people across the Taiwan Straits have continued efforts to promote their relations and created favorable conditions for a peaceful reunification of the motherland, the spokesman said, adding that "with the insistence of the public across the Straits, the Taiwan authorities have made certain positive responses by promoting economic and trade relations, and various other exchanges."

It is regrettable that for some time, Li Teng-hui, who has developed an enthusiasm toward "vacation diplomacy" and "stop-over diplomacy", has spared no expense and lavished money in collusion with those in the United States who have attempted to interrupt China's reunification and create "two Chinas" or "one China one Taiwan", the spokesman noted.

"Li's behavior will no doubt whet the appetite of pro-Taiwan-independence forces to sabotage the process of the peaceful reunification of the motherland in a more unbridled way, and encourage some foreign forces to stick their noses into the Taiwan affair so as to interfere in China's internal affairs," said the spokesman.

To bring their "two Chinas" or "one China, one Taiwan" dream to fruition, the spokesman noted, Taiwanese authorities advocate the role of Taiwan as "a state with independent sovereign rights" and "an internationally independent legal person" with the same "international representative rights" as the People's Republic of China, in an attempt to perpetrate a fraud and confuse the public.

The fact that there is only one China, and Taiwan is a part of China's territory, is common knowledge, the spokesman said, adding that "we do not object to Taiwan's developing non-governmental economic and cultural relations with foreign countries, but, in the meantime, we have long objected to Taiwanese authorities' conducting so-called 'enlarging international living space' activities aimed at creating 'two Chinas' and 'one China, one Taiwan'".

The political differences of the two sides should be solved through political negotiations under the principle of "one China", said the spokesman.

"Our stand is firm and is also reasonable, and has won the understanding and support of more and more Taiwanese compatriots," he emphasized.

The spokesman said that complete reunification of China is the common wish of all Chinese people. "All attempts at making 'two Chinas' or 'one China, one Taiwan' cannot be successful," he stressed.

Visit 'Erroneous Decision'

HK2905083095 Beijing RENMIN RIBAO in Chinese
26 May 95 p 6

[Commentator's article: "Serious and Dangerous Retrogression"]

[FBIS Translated Text] On 22 May, the U.S. Government, in disregard of the firm opposition and solemn representations by the Chinese side, announced permission for a so-called "private visit" to the United States by Li Denghui [Li Teng-hui]. This is a serious move of openly violating the three Sino-U.S. Joint Communiqués and undermining China's sovereignty and its cause of peaceful reunification. The Chinese Government has lodged a strong protest, expressing the common determination of the 1.2 billion Chinese people who stand in fear of no power and safeguard national dignity.

This erroneous decision on the part of the U.S. Government represents a serious and dangerous retrogression [yan zhong er wei xian di dao tui 0917 6850 5079 0604 7145 4104 0227 6622] in its relations with China. It is widely known that the Taiwan issue was once a critical issue affecting the normalization of the relationship between China and the United States. It was only after the U.S. Government had made a clear and definite pledge concerning the Taiwan issue that diplomatic relations were established between the two countries. There is only one China in the world, and Taiwan is part of it. The PRC Government is the only legitimate government of China. In the three Sino-U.S. Joint Communiqués, the U.S. Government made a solemn pledge to observe this principle and declared that it would only "maintain cultural, commercial, and otherwise nonofficial relations" with Taiwan. In breaking its pledges by openly violating the three Sino-U.S. Joint Communiqués, challenging China's sovereignty, and hurting the feelings of the Chinese people, the United States cannot but cause indignation. Such rude and unreasonable behavior on the part of the United States certainly will bring serious consequences to Sino-U.S. relations.

The U.S. Government keeps on saying that Li's visit is "private." This is a gross deception. Everybody knows that, in whatever manner or capacity, Li Denghui will be understood to be manufacturing "two Chinas" or "one China, one Taiwan" when he makes his visit to the United States. Li Denghui publicly admitted that the "most important thing about his U.S. visit is the indication of the Republic of China's existence." Earlier, a responsible official from the U.S. State Department pointed out clearly that "in light of the high political profile of Li Denghui and other Taiwan leaders, even a private visit would be out of line with the nonofficial

nature of our relations with Taiwan." The statement could not have been more candid; there is not a shadow of a doubt about a "private visit." Then, with its previous statements still ringing in our ears, the United States went back on its word, throwing out all the statements it had made before. What international credibility is the U.S. Government left with when it, as the government of a great power, flip-flops in this manner?

In its foreign relations, the U.S. Government is very good at falling back on Congress as an excuse — as it has done this time. The reason used by the U.S. Government to defend its erroneous decision was that, because both the Senate and the House of Representatives had made resolutions, the administration did not seem to have much choice but to follow suit. There are, indeed, a number of anti-China elements in Congress who were responsible for making this or that anti-China resolution; there was nothing strange about this. As the country's representative, however, the U.S. Government has the responsibility of observing the three Sino-U.S. Joint Communiqués and honoring its international commitments. It is true that the U.S. Government clashes with Congress on some issues, but, in the current effort to undermine China's sovereignty and reunification, their positions are identical; they have only faked their differences.

Although the United States claims to recognize only one China, deep down it does not want China to be unified, and is always looking for an excuse to engineer "two Chinas" or "one China, one Taiwan" in an attempt to keep Taiwan as an "unsinkable aircraft carrier" for the United States. There have been new developments in cross-strait relations in recent years. In particular, following President Jiang Zemin's eight-point proposal on the peaceful reunification of the motherland, cross-strait relations have warmed up further, with good momentum appearing in economic exchanges, trade ties, and other areas. However, this is a development the United States does not want to see. The United States was seeking to disrupt and undermine the growth of cross-strait relations and to obstruct China's peaceful reunification when it gave Li Denghui permission to visit the country. High vigilance must be maintained against such a scheme entertained by some people in the United States.

The Taiwan issue has a bearing on China's sovereignty, territorial integrity, and national reunification. On this key principle, which concerns China's fundamental interests, China's position is firm and unyielding. China has consistently valued its relations with the United States, but it absolutely will not tolerate the United States' wantonly undermining its sovereignty. The Chinese people will resolutely defend their national inter-

ests and dignity. We hope that the U.S. Government will approach the situation with overall Sino-U.S. relations in mind and will prevent a historic mistake by immediately revoking the erroneous decision to allow Li Denghui to visit the country.

Visit To Damage Relations

HK2705064095 Hong Kong TA KUNG PAO
in Chinese 26 May 95 p A5

["Political talk" column by Shih Chun-yu (2457 0689 3768): "A Deterioration in Sino-U.S. Ties Will Affect the World Situation"]

[FBIS Translated Text] China's Air Force Delegation Returns Home

Sino-U.S. relations are deteriorating because the United States has given Li Teng-hui permission to visit. According to the U.S. Defense Department, a seven-member delegation led by Air Force Commander Yu Zhenwu, which was scheduled to visit the United States between 17 and 27 May, has left the United States for home. Moreover, a U.S. newspaper has reported that the upcoming visits to the United States by China's Defense Minister Chi Haotian and State Councillor Li Guixian on different occasions in June will also be cancelled.

On the other hand, the U.S. State Department has announced that the character of Li Teng-hui's visit to the United States has been changed from that governed by the "transit visa," which it was prepared to issue him last fall, to the "standard stopover visa." The State Department stressed that this practice "was not in conflict with its previous policy."

In China, however, two foreign affairs committees under the National People's Congress and the Chinese People's Political Consultative Conference have issued statements expressing their indignation about the "two Chinas" plot being executed by the United States. They issued a stern warning to the U.S. administration and Congress, pointing out that this move has damaged not only the United States' international reputation but its own interests as well, which will inevitably bring serious harm to Sino-U.S. relations [bu ke bi mian di gei zhong mei guan xi dai lai yan zhong sun hai 0008 0668 6699 0346 0966 4822 0022 5019 7070 4762 1601 0171 0917 6850 2275 1364]. In conclusion, the statements advised the United States not to go too far, otherwise it will start off doing harm to others and finish by doing harm to itself.

The United States Has Committed the Most Serious Mistake

Since the United States said it is impossible to withdraw the permission for Li Teng-hui to conduct his private

visit, relations between China and the United States will certainly deteriorate for a period of time to come. China must face a series of new problems arising from the inevitable deterioration of the relations, which not only involves bilateral interests, but also the stability of the situation in Asia and the world. Just as some well-known academics who are now in the United States have pointed out, the U.S. decision to allow Li Teng-hui to pay a private visit to the United States has undermined the foundation of Sino-U.S. relations; therefore, it has committed the most serious mistake [zui yan zhong de cuo wu 2584 0917 6850 4104 6934 6137]. The Taiwan issue, in which the United States has had a hand, will make the future situation in Taiwan even more complicated, and the reunification of Taiwan and the mainland will be seriously disrupted. How can China tolerate this move?

The United States has completely miscalculated the situation, thinking that it can dominate the world now that the Cold War has ended, that it can interfere in other countries' internal affairs at will, and that it can act as an international policeman so that it has the right to issue orders to the world. Noting that China has achieved economic development and has strengthened its national defense over the past few years, the United States wants to contain China and uses Taiwan as a trump card to cope with China.

When meeting the guests from the Austrian Federal Assembly the day before yesterday, Foreign Minister Qian Qichen also said: Even though China has become powerful, it will never constitute a threat to other countries. Over the past 100 years, beginning from the middle of last century, China has been repeatedly humiliated by foreign powers. After it experiences further economic development in the next century, however, China will continue to be a factor of peace and stability to the world. This is China's consistent policy, which the Chinese leaders have explained to foreigners again and again.

Since practicing reform and opening up and adopting the foreign policy of independence and self-reliance, China has increasingly become a force for peace and stability in Asia and the world. These facts and achievements are obvious to all. It can be said that, without China's participation, it is impossible to resolve any problem in international affairs.

The United States Has Gone Too Far and Must Bear the Consequences

Today, the United States has given China a direct challenge, exerting pressure on China in various areas, including human rights, Tibet, most-favored-nation status, and, recently, the South China Sea, and wantonly order-

ing China to do this and that, which will certainly cause an intense confrontation with China. The serious frictions in the Sino-U.S. relations will naturally damage China's economy, but China can turn to other countries for cooperation. The U.S. failure to enter China's markets will make it too late to repent, as if trying to bite its own navel.

China will not allow foreign countries to meddle in the Taiwan issue, nor will it allow the United States to play the Taiwan card. China certainly has its own countermeasures to cope with international ferocious acts [guo ji jian de heng ni 0948 7139 7035 4104 2897 6627], and the Chinese Government made this point clear a long time ago. Any normal bilateral cooperative relationship must be based on equality and mutual respect for sovereignty. If the United States obstinately clings to its course and goes even further, it must bear the consequences by itself.

Beijing Urged To Counterattack

HK2705083095 Hong Kong WEN WEI PO in Chinese 27 May 95 p A2

["Special Article" by New York-based special reporter Kuan Wen-liang (7070 2429 0081) from New York on 26 May: "There Is No Harm in Beijing Teaching the United States a Lesson"]

[FBIS Translated Text] The Clinton administration has granted a visitor visa to Li Teng-hui and is pursuing a "one China, one Taiwan" policy in a big way; this has brought about a crisis in Sino-U.S. relations, which will not phase out within a short period; however, the bilateral relationship will not collapse, either. The international environment in the 1990's allows China and the United States to mediate and wrestle with one another, while allowing Beijing to counterattack anti-Chinese forces.

The United States Will Continue To Push "One China, One Taiwan"

There have been dramatic changes in the U.S. policy toward China in four aspects in recent years, none of which are helpful to the development of Sino-U.S. relations, and such changes will continue in the near future:

1. Clinton is a weak president; by saying "weak," we do not simply mean that the Republicans have control over Congress. Even two years ago, when the Democrats held the majority in the Senate and the House, the Clinton administration had little accomplishments to speak of in foreign affairs, and came under fire by public opinion at home. Neither the White House nor the Department of State has ever had a diplomatic

program to put in practice; whenever they stress the interests of the Asia-Pacific region in words, they never pay attention to any side with deeds. U.S.-European and U.S.-Russian relations are in bad shape; U.S.-Japanese relations are facing one contradiction after another, and U.S. influence in the ASEAN is dwindling fast; the United States has failed to get the expected results on the Bosnia issue and the issue of nuclear proliferation. Anti-Chinese forces inside the United States have taken the opportunity to start trouble and have pushed the weak Clinton administration to become hostile toward Beijing, while stepping up the pace of pursuing "one China, one Taiwan." In addition, the Clinton administration is weak and incompetent and can hardly accomplish anything during its term of office. At present, they have to worry about Clinton's re-election as president in November 1996. All these factors will lead to the continuation of the U.S. "one China, one Taiwan" policy.

2. The anti-communist and anti-Chinese sentiment in the Congress will not die down for some time to come. Viewing the condition of U.S. nationals today, the Republicans will continue to gain the upper hand during the congressional elections in 1996, and the anti-communist, and anti-Chinese conservatives and neo-rightists will continue to be dominant in Congress; even if some new faces surface in the elections of the Senate and the House, the pro-Taiwan congressmen who currently hold sway will continue to be aggressive.

The Media and Academic Circles Join the Anti-Chinese Ranks

3. The mainstream media continue to step on the gas in their anti-Chinese efforts. Major newspapers, such as THE NEW YORK TIMES and the WASHINGTON POST, in addition to three major news and current affairs weeklies, have for a long time adhered to their position of being hostile toward Beijing and making China look bad, based on their hegemonist ideology. The realist conservative columnist, William Safire wrote an article not long ago, calling on the United States to attack and restrict Beijing in four areas in the post-Deng era, namely, the Taiwan issue, human rights, Tibet, economic relations and trade. Whereas the liberal Rosenstein [luo sen sun 5012 2773 6679] has continued to advocate Tibet's separation from China. Such examples are too numerous to cite. And,

4. Multiple think tanks, research institutes, and scholars are turning to the right, and even obviously tend to oppose China, whereas the voices of those scholars who advocate safeguarding Sino-U.S. relations are weak. The influence of the relatively enlightened Brookings Research Institute and the Atlantic Council are markedly

different from what they were in the 1980's. What one often reads today in the press are speeches of scholars who are conservative and have a strong anti-Chinese awareness from such organizations as the American Enterprise Institute and the Heritage Foundation. There are far too many of those scholars in the academic circles, who put ideology above all else, have accepted "donations" from Taiwan, advocate the disintegration of the Beijing regime, attack Chinese nationalism, and throw mud at Chinese leaders. A representative of scholars in this category is none other than Li An-you [7812 1344 0645] of the Columbia University Center of East Asian Studies. Someone pointed out that, prior to the 1980's, the most popular speeches were those of anti-Soviet scholars, but, since the beginning of the 1990's, articles by anti-Chinese scholars have taken their place. That statement hit the nail right on the head.

Trample on the Communiques and Quibble in Every Possible Way

Under the impact of this wave of anti-Chinese sentiment, it has become unimportant whether the Clinton administration was behind the move to revise the policies toward China that had been pursued by many U.S. presidents in previous terms. Now, the important thing is that the U.S. Congress, the mainstream media, and the academic circles have rather unanimously regarded China as a target of attack and pressure, and President Clinton himself is exhibiting a performance which is noticeably different from when he met Jiang Zemin in Seattle in 1993. At that time, the two leaders established their personal rapport and stressed the importance of increasing mutual trust while reducing friction. However, since the White House "upgraded" its relations with Taiwan last year, facts have proven that the Clinton administration's China policies are changing again. The United States is using China's most-favored-nation status as a bargaining chip and is wantonly pursues the policy of "one China, one Taiwan."

Over the past few years, the U.S. Government has repeatedly violated the "three communiques" (the Shanghai Communique, the Communique for the Establishment of Diplomatic Relations, and the 17 August Communique) governing the relations between China and the United States. When the Republican President Bush announced the sale of a large number of high-quality F16 jet fighters to Taiwan, it already revealed to the world that the United States was ignoring the "three communiques" and had abandoned its international reputation and relevant commitments. At that time, U.S. public opinion also criticized Washington for violating the 17 August Communique, but the State Department insisted that the U.S. action was "in accordance with" the communiques.

One-Sided Aspirations Cannot Be Counted on To Reduce Trouble

When announcing "Li Teng-hui's visit to the United States" a few days ago, the State Department spokesman said blatantly that U.S.-Taiwan relations have been "changing with the times." In what direction have they been changing? Obviously, they have been moving toward "one China, one Taiwan," but the State Department still asserts that their actions are in accordance with the "one China" policy.

Personalities from diplomatic circles in Washington have pointed out, "What the United States should do in the next step is to support Taiwan's entry into the United Nations!" Last year, some pro-Taiwan Congressmen began clamoring to "urge" the Clinton administration to support Taiwan's entry into the United Nations. It has been reported that some Congressmen will submit this motion to the Foreign Relations Committees of the Senate and the House of Representatives this year. In fact, the Taiwan authorities have been vigorously lobbying city and state councils in various U.S. states and have been engaging in "bait diplomacy" in a big way.

According to a report in a New York Chinese newspaper, when some academics commented on the U.S. decision to permit Li Teng-hui to visit the United States, a Chinese historian remarked: Even when President Reagan was in power, and even after the 4 June incident occurred in Beijing, Sino-U.S. relations have never fallen to such an extent as today. The 16-character principle of "increasing trust, reducing trouble, refraining from confrontation, and furthering cooperation" put forth by Beijing should be reconsidered, because facts have proven that it cannot merely count on one-sided aspirations to reduce trouble and avoid confrontation.

A Counterattack Will Not Make Relations Collapse

Mutually beneficial economic and trade ties are the backbone of Sino-U.S. relations. In the era of a multi-polar international community, despite the rampant anti-Chinese forces within the United States and the Clinton administration's pursuance of the "one China, one Taiwan" policy, the two countries are still benefiting from their economic and trade exchanges. Based precisely on this point, the Sino-U.S. economic and trade relations will not collapse, even if Beijing and Washington stage a trial of strength in the area of politics and the political relations between the two countries get even worse, as long as the wrangling does not escalate to the military level. This is a two-way relationship, and Washington knows its profound subtlety very well. That is why it is bold enough to play this political trick over and over again in an attempt to make "one China, one Taiwan"

an established fact. In reality, however, Beijing also has sufficient conditions and strengths to teach the United States a lesson so as to safeguard state sovereignty and promote the reunification of the motherland. Today, in the world of the 1990's, the Sino-U.S. economic and trade relations truly cannot get very bad!

Nuclear Consultations Postponed

OW2805100395 Beijing XINHUA in English
0935 GMT 28 May 95

[FBIS Transcribed Text] Beijing, May 28 (XINHUA)—The Chinese government has decided to postpone Sino-U.S. expert consultations on "Missile Technology Control Regime" (MTCR) and nuclear energy cooperation, Foreign Ministry spokesman Shen Guofang announced here today.

According to the spokesman, the U.S. Government's May 22 announcement to allow Lee Teng-hui to visit the United States has infringed upon China's sovereignty, violated the principles of the three Sino-U.S. Joint communiques and brought serious damage to Sino-U.S. relations. The Chinese government therefore decided to postpone the Sino-U.S. expert consultations on MTCR and nuclear cooperation. Meanwhile, the visits to China by the Director of the U.S. Arms Control and Disarmament Agency in June and the Deputy Assistant Secretary of State for Political, Military Affairs in July have also been required to postpone.

Visit To Create 'Crisis'

HK2805060095 Hong Kong WEN WEI PO in Chinese
28 May 95 p A7

[Commentary by He Tu (0149 0956): "Li Teng-hui's Visit to the United States Will Lead to a Crisis"]

[FBIS Translated Text] Through a series of activities, in particular the policy change effected by the U.S. decisionmaking authorities, Li Teng-hui has in the end been allowed to pay a "private visit" to the United States. Some Taiwan officials and media seem to have gone into raptures. However, some other sober-minded commentators have pointed out that Li Teng-hui's visit will inevitably lead to a deterioration in Sino-U.S. ties. It is difficult to make a conclusion now whether the "Taiwan card" played by the United States once again will have good or a bad results. A special article carried in Taiwan's LIEN HO PAO carried the following headline: "The Visit by the 'President' to the United States Will Be a Favorable Turn as Well as a Crisis."

Li Teng-hui Tries by Every Means To Visit the United States

In recent years, Li Teng-hui has instigated his trusted follower Liu Tai-ying to bypass Taiwan's official "Foreign Ministry," use huge sums of money to buy over U.S. congressmen and Li Teng-hui's alma mater, Cornell University, and create an atmosphere of the "U.S. public welcoming Li Teng-hui's visit to the United States." As Li Teng-hui has succeeded in the end, he can show himself in the U.S. public.

Naturally, Li Teng-hui could visit the United States primarily because the U.S. policy decisionmakers overthrew the three Sino-U.S. communiques, an act which is likely to bring about an adverse scenario of retrogression in Sino-U.S. relations. Li Teng-hui's visit is but a pawn in power politics played by the United States. Regarding Li Teng-hui, while his visit will be greeted by "bouquets" and "applause," he will also bring crisis with him.

How Sino-U.S. Ties Will Deteriorate

Above all, Li Teng-hui's visit to the United States will affect the development of cross-strait ties to a certain extent. Not long after Jiang Zemin presented the eight-point proposal during the Lunar New Year and at a time when the two sides of the strait have decided to hold the second Wang-Ku meeting in Beijing in July, Li Teng-hui obtained permission to pay a "private visit" to the United States. This move has resulted in "one China, one Taiwan" or "two Chinas," which constitutes a serious challenge to China's state sovereignty. Although nongovernmental exchanges across the strait should not and will not be hindered by this, Li Teng-hui's visit has undermined Sino-U.S. relations, and this is bound to damage the current atmosphere of cross-strait ties [li deng hui fang mei ji po huai le zhong mei guan xi, jiu bu ke neng bu dui liang an zhi jian xian you de qi fen chan sheng ying xiang 2621 4098 6540 6078 5019 2478 4275 0975 0055 0022 5019 7070 4762, 1432 0008 0668 5174 0008 1417 0357 1489 0037 7035 3807 2589 4104 3049 3050 3934 3932 1758 0742]. The Chinese authorities have said that, if the United States does not revoke Li Teng-hui's visa, China will be forced to react strongly, which might result in a retrogression [dao tui 0227 6622] in Sino-U.S. ties. Such a state of affairs will have a great impact on the structure of international relations, because China is a large nation with a population of 1.2 billion as well as a permanent member of the UN Security Council. Furthermore, Li Teng-hui may not be able to benefit if Sino-U.S. ties deteriorate.

Li Teng-hui's "Exodus"

Contemporary China has gotten a full taste of humiliation and aggression at the hands of Western powers, including the cession of Taiwan. The moves of the Qing Government surrendering the country's sovereign rights under humiliating terms aroused generation after generation of Chinese martyrs and people with lofty ideals to struggle for the prosperity of the country, which eventually created the powerful country we see today. Hong Kong and Macao will be returned to the motherland in 1997 and 1999 respectively, but Taiwan is still split from the motherland. The fact that Li Teng-hui spares no effort to turn Taiwan once again in a bargaining chip of a foreign country will lead Chinese people at home and abroad to ponder: Where is Li Teng-hui leading Taiwan and cross-strait relations? Is Li Teng-hui trying to put his "Exodus" into practice?

Visit 'Huge Snub'

HK2905154195 Hong Kong Television Broadcasts
Limited in English 1200 GMT 29 May 95

[From the "News at 8:00" program]

[FBIS Transcribed Text] Officials in Beijing say they are puzzled by the new U.S. policy towards China. They are stepping up retaliatory action to show their discontent about Taiwanese President Li Teng-hui's forthcoming trip to the United States. Washington's decision to issue a visa to Li has been heralded as a major change in U.S. policy on Taiwan. Annabel Roberts reports. [Begin recording] [Annabel Roberts] Beijing feels that the U.S. announcement of President Li Teng-hui's imminent visit to the States is a huge snub. It comes at the same time as the annual debate on renewal of China's most-favored-nation trading status. Officials say whereas the trading matter affects both China and the States, Li's trip is a direct hit at the mainland's plans for reunification with the island province. They add that clearly the U.S. believes there's an atmosphere of political unrest at the moment which it is seeking to exploit.

[Lee Jiachuan of the Taiwan Research Center, in Mandarin] The U.S. Government has made various unrealistic guesses about China in the so-called post-Deng Xiaoping era.

[Roberts] Lee says Beijing is grateful to the U.S. for drawing local attention away from this week's anniversary of the June 4 crackdown and instead focusing it on Taiwan and the question of reunification. But he warns that if President Li is allowed to meet Congressmen while in the States, Beijing will step up its retaliatory action. The official line is that the authorities say Li's

visit will do far more damage to Sino-U.S. relations than the post-Tiananmen trade embargo, as their one-China policy is much more important to them than business. Annabel Roberts, TVB news.

'Grave Consequences' Warned

*HK2905142995 Hong Kong WEN WEI PO in Chinese
29 May 95 p a2*

[Editorial: "The United States Should Not Underestimate China's Reaction"]

[FBIS Translated Text] A Chinese Foreign Ministry spokesman announced yesterday that the Chinese Government had decided to put off talks between Sino-U.S. experts on the Missile Technology Control Regime and nuclear energy cooperation. The visits to China by the director of the U.S. Arms Control and Disarmament Agency in June and by the deputy assistant secretary of state for political and military affairs in July have also been postponed.

Chinese State Councillor and Defense Minister Chi Haotian has already put off his scheduled visit to the United States in June.

This is the Chinese Government's further reaction to the U.S. Government's serious breach of the foundation of Sino-U.S. relations by announcing its permission for Li Teng-hui's "private visit." There will still be yet stronger necessary reactions by China to defend its sovereignty and national unity if the United States does not correct its mistake and halt arrangements for Li Teng-hui's visit. The U.S. side should be held fully responsible for the retrogression in Sino-U.S. relations and all the grave consequences.

China and the United States established diplomatic relations 16 years ago, since which time no U.S. President has dared to arrange for any official Taiwan figure to visit the United States. It is only during Clinton's term of office that drastic changes in its Taiwan policy have been made. By brazenly creating "two Chinas" and "one China, one Taiwan," it is attempting to set a precedent for "presidential" visits to the United States and then for having open official dealings with Taiwan. Everybody knows that because of Li Teng-hui's position as "president," the political effect of U.S.-Taiwan official contact will be brought about no matter in what capacity he visits the United States. Moreover, Taiwan's official propaganda has also proved that the purpose of Li Teng-hui's U.S. visit is to create "two Chinas." The U.S. Government has also acknowledged publicly that Li Teng-hui's U.S. visit "does not conform to the unofficial nature of U.S.-Taiwan relations."

The U.S. Government has seriously damaged the foundation of Sino-U.S. relations, that is, that the United States recognizes only one China, the United States does not interfere in China's domestic affairs, and the United States maintains only unofficial relations with Taiwan. If China concurs or tacitly agrees with the United States that it can engage in official contact with Taiwan, the United States will be encouraged to openly abandon the three Sino-U.S. communiques, which will lead to greater retrogression or even confrontation in future Sino-U.S. relations. Hence, in order to safeguard the overall situation of Sino-U.S. relations, the Chinese side has to take strong measures to oppose the U.S. approval of Li Teng-hui's visit and to prevent the U.S. side from willfully disrupting Sino-U.S. relations.

There is only one China, a breakup of the territory is never allowed given the interests of the Chinese nation, and the Chinese people are resolutely against any foreign attempts to sever Taiwan from Chinese territory. However, for more than 100 years, foreign powers have never given up the ambition of turning Taiwan into an independent political entity so as to sever it from China. The U.S. encroachment on Taiwan by the stationing of its Seventh Fleet was a fact which occurred just 16 years ago. In today's world, the United States, by instigating and fomenting so-called "independence," has already dismembered many countries and, at the same time, plunged many areas around the world into civil wars and breakups, thus causing many deaths and ruining many families. Such bloody and tearful scenes can still be seen on television screens every day. By the same token, pro-Taiwan independence moves have been running wild recently and some people, who take bad people as good people, eulogize Japanese militarism; while others vainly wish to act as Taiwan's Moses in the Exodus and insist on a breakup through diplomatic moves. Hence, there is greater reality and urgency for the Chinese people to defend their sovereignty and unity.

As far as the Taiwan issue is concerned, the Chinese Government adheres to the principles of the three communiques and the one-China stand and opposes a U.S.-made "two Chinas." This is entirely out of consideration for the Chinese nation's fundamental interests and the great cause of reunification, out of consideration for the peaceful and stable situation across the strait, and a choice made in the long-term interests of preserving friendly cooperation between China and the United States.

Due to the recent rise of the rightists in the United States, some people have become swollen-headed and mistakenly think that the United States can dominate the post-Cold War world alone and can control and interfere

in every part of the world; that China must seek U.S. help in every matter; and that the United States can engage in splittist moves regarding the Taiwan issue and can reintroduce the "unsinkable aircraft carrier" policy to use Taiwan to contain and weaken China, to create trouble for China, and to check the momentum of China's economic development. This is absolutely a miscalculation which misjudges the present global situation, U.S. power, and the Chinese people's iron will in defending their sovereignty and unity.

The world is developing into a multipolar pattern following the end of the Cold War. Conflicts concealed by past "bipolarization" have been exposed, Europe and Japan can say "no" to the United States, and countries are vying with each other for economic interests. Not only do Mexico and Canada give tit-for-tat with the United States over economic interests, but the problem of Haitian and Cuban boat people is also a headache for the United States. On the other hand, the United States is less capable of bringing the world under control. Iraq's Saddam is still challenging the United States, who can do nothing about it. Even small Somali warlords could force the U.S. Army to retreat helter-skelter. The development of the Balkan situation has been completely derailed from the track fixed by the NATO group headed by the United States. ASEAN countries are in direct confrontation with the United States over the latter's interference in such issues as human rights, labor, and pay. Singapore gave a stern rebuff to Clinton's interference in its judicial powers. Russia has ended its honeymoon with the United States and discord has arisen. U.S. sanctions applied against Iran have been resisted and ridiculed by Europe. The United States always wants to assume a superpower's posture but meets with setbacks on every occasion. It could do nothing to reverse the drastic fall in the U.S. dollar and its national debt has risen to \$5 trillion, the highest in the world. All these things show that the U.S. rightists should not overestimate their own strength.

The Chinese Government does cherish its relations with the United States, but this should be founded on the principle that the United States can never pursue two Chinas. Even in the early period after the PRC's founding when China's economic strength was far inferior to that of today, China still insisted on defending its sovereignty and unity and withstanding U.S. blockades and isolation, and the United States, instead of overpowering China through sanctions, could only eat the bitter fruit of its own making. For the sake of the nation's long-term interests, the Chinese people are willing to face up to the United States' challenge, and the people who advise the U.S. Government who mistakenly think

that "China must seek U.S. help" must definitely pay the price of misjudging China.

At present, China's reaction is still limited to the diplomatic field, but other areas will be affected if the Taiwan issue brings about a retrogression in Sino-U.S. political relations.

Central Eurasia

Zhu Liang Meets Russian Duma Chairman

OW2805063095 Beijing XINHUA Domestic Service
in Chinese 1616 GMT 24 May 95

[By reporter Zhang Tiegang (1728 6993 6921)]

[FBIS Translated Text] Moscow, 24 May (XINHUA) — Zhu Liang, visiting chairman of the Chinese National People's Congress [NPC] Foreign Affairs Commission, met with Chairman of Russia's State Duma Ivan Rybkin, Deputy Premier and Minister of Foreign Economic Relations Oleg Davydov, and Foreign Minister Andrey Kozyrev on separate occasions 23 and 24 May. He exchanged views with them on relations between China and Russia and cooperation between the two countries' legislatures.

Zhu Liang is heading a delegation of the Chinese NPC Foreign Affairs Committee, which arrived in Moscow on 22 May for a visit to Russia at the invitation of the Committee on Foreign Affairs of the Russian State Duma.

During their meeting, Zhu Liang and Rybkin discussed cooperation between the two legislatures and briefed each other on the economic reforms in their own countries. Rybkin said economic cooperation between Russia and China has bright prospects and China's experience in special economic zones is worth learning. He said the majority of State Duma members favor good relations with China. He stressed that the Russian Government and parliament will "implement to the letter the agreement on the two countries' eastern section border." Zhu Liang pointed out: Russia has strong industrial and science and technology potential, as well as rich natural resources. Furthering economic cooperation and establishing a good-neighborly relationship are not only consistent with the basic interests of the two peoples, but also conducive to regional stability and world peace.

In their meetings, Zhu Liang, Davydov, and Kozyrev all pledged to continue strengthening good-neighborly relations and developing economic and trade ties between the two countries. They also exchanged views on some international issues of mutual concern.

Zhu Liang and his party left Moscow this afternoon to visit other Russian cities. It was learned that the delegation will conclude its visit to Russia on 27 May.

Jiang Zemin, Li Peng Send Condolences to Russia*OW2905172495 Beijing XINHUA in English
1717 GMT 29 May 95*

[FBIS Transcribed Text] Beijing, May 29 (XINHUA) — Chinese President Jiang Zemin and Premier Li Peng sent messages today to Russian President Boris Yeltsin and Prime Minister Viktor Chernomyrdin, expressing sympathy for the Russian government and people, after a strong earthquake hit Russia's Far East.

They also expressed solicitude for people in the disaster-hit area.

At least 2,000 people have been killed in the devastating earthquake that struck the island of Sakhalin in Russia's Far East on Saturday [27 May].

In their messages, Jiang Zemin and Li Peng expressed their conviction that the people in the earthquake-stricken area will be able to conquer the disaster and rebuild their homeland under the leadership of the Russian government.

Luo Gan Meets Russian Internal Affairs Minister*OW3005101995 Beijing XINHUA in English
0948 GMT 30 May 95*

[FBIS Transcribed Text] Beijing, May 30 (XINHUA) — Chinese State Councillor Luo Gan today met with a delegation from the Russian Ministry of Interior Affairs led by its minister Viktor Fedorovich Yerin.

Their one-hour-long discussion focused mainly on bilateral relations and particularly on joint cooperation in cracking down on criminal offences.

Luo, also secretary-general of the State Council, said China and Russia enjoy traditional friendship and that bilateral ties in politics, economy, military, and science and technology have kept growing over the past few years.

The constant exchange of visits between their high-ranking officials has helped increase mutual understanding and pushed forward bilateral ties, he said.

Luo expressed the conviction that Minister Yerin's current China visit will be conducive to the promotion of cooperation between the Chinese Ministry of Public Security and the Russian Ministry of Interior Affairs.

Yerin called China and Russia close friends and good neighbors, saying that the judicial departments of the two countries have conducted fruitful cooperation in combating criminal offences.

He said he hoped that the two sides will have a frequent exchange of experience and constantly improve the work on fighting against crimes.

Yerin said that Russia desires to expand cooperation and exchanges between the governmental and local departments of the two countries, adding that there exist good prospects in this regard.

Luo said he shared Yerin's view. He went on to say that the two sides can absorb and draw on each other's experience in cracking down on crimes, coordinate and cooperate with each other closely, particularly in fighting transnational crimes.

In addition, he said the two sides should exchange information frequently.

During the meeting, Luo expressed sympathy with and solicitude for the victims of the devastating earthquake that struck the Island of Sakhalin in Russia's Far East on Saturday [27 May].

This morning, Tao Siju, minister of public security, conferred with Yerin on how to enhance bilateral cooperation, implement an agreement for cooperation between the two ministries and make concerted efforts to crack down on transnational crimes.

The delegation arrived here on May 29 as guests of the Chinese Ministry of Public Security.

Wang Guangying Meets Moldovan Culture Minister*OW3005094195 Beijing XINHUA in English
0922 GMT 30 May 95*

[FBIS Transcribed Text] Beijing, May 30 (XINHUA) — Wang Guangying, vice-chairman of China's National People's Congress Standing Committee, met and had a cordial talk with a delegation from the Moldovan Ministry of Culture led by Minister Mihai Cibotaru here this afternoon.

The visitors came here for a visit to China at the invitation of the Chinese Ministry of Culture.

In April this year, the Chinese and Moldovan governments signed a cultural cooperation plan for 1995.

Southeast Asia & Pacific**Li Lanqing Meets Brunei Education Minister***OW2905091695 Beijing XINHUA in English
0728 GMT 29 May 95*

[FBIS Transcribed Text] Beijing, May 29 (XINHUA) — Chinese Vice-Premier Li Lanqing met here this morning with a Brunei education delegation led by Minister of Education Abdul Aziz bin Umar.

Both Li and Aziz expressed hope to enhance cultural and educational exchanges and cooperation between the two countries.

Zhu Kaixuan, Minister in charge of the Chinese State Education Commission, attended the meeting.

Aziz and his delegation came here as guests of the Chinese State Education Commission.

Vice Chairman Meets Burma Sports Delegation

OW2705095995 Beijing XINHUA in English
0939 GMT 27 May 95

[FBIS Transcribed Text] Beijing, May 27 (XINHUA) — Wang Guangying, Vice Chairman of the Standing Committee of the National People's Congress, met here today with the Myanmar [Burma] sports delegation.

The delegation is headed by Brigadier General Lun Maung, Minister for Office of the Prime Minister and President of the Myanmar Olympic Committee.

After their arriving in Beijing on May 25, the Myanmar guests visited the Beijing Sports University and held talks with the Chinese Olympic Committee on the sports exchanges between the two sides.

The delegation will also visit Guangdong Province during their China tour.

Spokesman Dismisses Malaysian Claim to Spratlys

HK3005030395 Hong Kong AFP in English
0225 GMT 30 May 95

[FBIS Transcribed Text] Beijing, May 30 (AFP)— China rode roughshod Tuesday over Malaysia's claim that it had established sovereignty over the South China Sea island of Layang-Layang in the disputed Spratly chain.

"China has irrefutable sovereignty over the Spratlys and their adjacent waters," a Chinese foreign ministry spokesman said.

"China's position in this regard is clear cut and persistent," he added.

Malaysian Prime Minister Mahathir Mohamad said last week that the ownership of Layang-Layang could no longer be disputed and other countries should not lay claim to the island, located off Malaysia's eastern state of Sabah.

The oil-rich Spratlys are claimed wholly or in part by Brunei, China, Malaysia, the Philippines, Taiwan and Vietnam.

Tensions over the Spratlys dispute — previously dominated by China and Taiwan — have spread in recent months as other countries, notably the Philippines, have stepped up their claims.

The issue is likely to dominate an upcoming security forum sponsored by the Association of Southeast Asian nations.

Li Teng-hui Not Allowed To Visit Australia

OW3005080295 Beijing XINHUA in English
0646 GMT 30 May 95

["Taiwanese Visit Impossible: Australia" — XINHUA headline]

[FBIS Transcribed Text] Canberra, May 30 (XINHUA) — Australian Foreign Minister Gareth Evans said that a visit to Australia by Taiwan's Li Teng-hui was out of the question.

He said that Australia's policy of one-China had not been changed.

"It has been the policy of the Australian Government...to restrict private visits to Australia by high-level officials from Taiwan to those which are strictly related to the promotion of our strong and expanding economic trade interests between the two of us," today's Sydney Morning Herald quoted him as saying.

Speaking at the Parliament on Monday [30 May], Evans said that the proposed visit by Li or a visit by another top Taiwan official Lien Chan, "even if private, would be of political nature and not consistent with the current state of our unofficial links with Taiwan."

Evans' comments came after the Canberra-based National Press Club invited Li to come here to make a speech.

Disabled Persons Conference Held in Canberra

Deng Pufeng Attends

OW2905083195 Beijing XINHUA in English
0551 GMT 29 May 95

[FBIS Transcribed Text] Canberra, May 29 (XINHUA) — China has attached importance to anti-corruption, and the phenomenon of corruption would be allowed to impede the process of the country's economic reform, said Deng Pufang, the visiting Chairman of China's Disabled Persons' Federation.

Speaking at a press conference here today, Deng said that the phenomenon of corruption has limited the social development rather than promoted it.

Answering a question, Deng Pufang said "Anti-corruption is not a movement, but a consistent policy of the Chinese government."

There are lots of things for China to learn in the process of its setting up of a market economic system, but the

western value of "putting money at the top place" has certain negative impacts on some people, he said.

"If the phenomenon of corruption spreads, it would undermine our economic reforms," he added.

Deng, invited by Australian Human Services and Health Minister Carmen Lawrence, is here on a week-long visit to Australia as part of the Asian and Pacific Decade of Disabled Persons 1993-2002.

Addresses Issues of Interest

OW2905093595 Beijing XINHUA in English
0806 GMT 29 May 95

[FBIS Transcribed Text] Canberra, May 29 (XINHUA) — Deng Pufang, chairman of the China Disabled Persons' Federation, said here today that the Chinese government has worked very hard for the improvement of the status of the disabled people.

Speaking at a press conference here, Deng called for more cooperation in the Asia-Pacific region in pushing forward the development of the disabled persons' cause.

Deng Pufang, who leads a delegation which coincides with a tour by the China Disabled People's Performing Art Troupe, is here on a week-long visit to Australia as part of the Asian and Pacific Decade of Disabled Persons 1993-2002.

He said that the Chinese government's efforts include the adoption of the Law on the Protection of Disabled Persons, the set-up of the National Coordinating Committee on Disability Issues and the adoption of the Implementation Program for the Disabled People.

Although it is important to change people's attitudes towards the disabled persons, he said, "What is more important is to take concrete actions rather than slogans. We need to bring about some concrete benefits to the disabled people."

He added that new efforts have also been made in China to substantially improve the living standard and status of the disabled people.

"Our goal is, by the end of the decade, to provide rehabilitation services to three million disabled people, upgrade school enrollment rates of disabled children to 80 percent and the rate of employment for disabled people to 80 percent," Deng said.

Meets Prime Minister Keating

OW2905160495 Beijing XINHUA in English
1539 GMT 29 May 95

[FBIS Transcribed Text] Canberra, May 29 (XINHUA) — Australian Prime Minister Paul Keating met visiting

chairman of the China Disabled Persons' Federation Deng Pufang here today.

During the meeting, Keating, who returned home last night from a five-day visit to Japan, briefed Deng on the Australian government's financial and moral support for the cause of the disabled people.

Keating said that Australia has offered opportunities of equality and participation to the disabled people.

Deng said that Keating's meeting with him has proved the prime minister has attached great importance to the Sino-Australian relationship and to the cause of the disabled people as well.

He said that the purpose of the visit by the federation and the China Disabled People's Art Troupe is to increase the links between the disabled people and the exchange of culture between the two countries.

As both China and Australia are initiators of "the Asian and Pacific Decade of Disabled Persons", Deng said that "the current visit would have direct or indirect impacts on the cause of the disabled people in the region."

Deng also briefed Keating on the development of the cause of the disabled people in China, saying that it has made great headway over the past years thanks to the enormous efforts by the Chinese government.

Keating asked Deng Pufang to convey his greetings to Deng Xiaoping. He said that like many Australians, he has great respect to and admiration of Deng Xiaoping, who he believed is a great man in the 20th century and who has made great contributions to both China and the world.

Meanwhile, Australian Deputy Prime Minister Brian Howe and Human Services and Health Minister Carmen Lawrence also met Deng Pufang today.

Deng, who is invited by Lawrence, is here on a week-long visit to Australia as part of the Asia and Pacific Decade of Disabled Persons 1993-2002.

Near East & South Asia

Sino-Iranian Joint Commission Meeting Held

Li Peng Meets Iran's Mirzadeh

HK2705070495 Beijing CHINA DAILY in English
26 May 95 p 1

[Article by Xu Yang: "Li Raps World Meddlers"]

[FBIS Transcribed Text] Many developing nations, including China, are "victims of persistent interference into their internal affairs by some countries," Premier

Li Peng remarked during a formal meeting with visiting Iranian Vice President Hamid Mirzadeh.

Li didn't name such countries, but instead said that China exercises an independent foreign policy of peace and hopes for peaceful and stable international surroundings. "We are always ready to establish and develop good relations with all countries in the world surpassing religious and social structural gaps," Li explained. However, "some countries in the world always intervene into others' affairs," Li commented.

The Iranian Vice-President arrived in Beijing yesterday to attend the eighth session of the Sino-Iranian Joint Economic Trade, Scientific and Technical Co-operation Commission at the invitation of Vice-Premier Li Lanqing. He told Premier Li the commission session, which opened yesterday afternoon, had scored a success, renewing the momentum of Sino-Iranian trade relations.

Prior to his meeting with Premier Li, Mirzadeh copresided with Vice-Premier Li Lanqing at the opening meeting of the commission session. The two leaders exchanged their views on a broad range of trade relations between the two countries.

The Chinese Vice-Premier reaffirmed the government's support for the three companies who won the bid to build the \$580 million Teheran subway. He told Mirzadeh that the Chinese Government is urging the three winning contractors, the China North Industries Corp, the China National Technology Import and Export Corp and the China International Trust and Investment Corp to raise most of the needed funds. However, Li said China will honor the governmental loan it had committed to this mammoth project.

The Iranian Vice-President also proposed to set up one or several petroleum refinery plants in China with Iranian capital and technology and sell their products in Iran. Li expressed his interest in this proposal.

The two leaders also stressed traditional Sino-Iranian friendship during the session.

Commission Minutes Signed

OW2905094095 Beijing XINHUA in English
0922 GMT 29 May 95

[FBIS Transcribed Text] Beijing, May 29 (XINHUA)—The minutes of the eighth session of the Sino-Iranian Economic, Trade, Scientific and Technological Joint Commission were signed at the Great Hall of the People here this morning.

Chinese Vice-Premier Li Lanqing and Iranian Vice-President Hamid Mirzadeh signed on the document on behalf of their respective governments.

According to the minutes, the two sides expressed satisfaction with the increase in bilateral trade volume and agreed to make joint efforts in balancing and developing bilateral trade. The two countries also encourage the establishment of trade representative offices in the other country so as to promote the development of bilateral trade.

The minutes also say that the Chinese government encourages and supports relevant companies in China to participate in the construction of the Tehran subway project. Both sides agreed to further expand the trade volume of crude oil.

In the respect of economic and technological cooperation, the document says that both countries were satisfied with cooperation in the areas of energy, building materials, nonferrous metals, chemicals and machinery, and agreed to further enhance such cooperation and make joint efforts to accomplish the signed and undergoing projects involving technology and complete equipment. The two sides agreed to expand cooperation in fisheries, hydropower, geochemistry, geological prospecting and other fields.

For cooperation in science and technology, the two countries expressed their wish to further promote scientific research and cooperation in agriculture, forestry, fisheries, medical science, seismology, energy, culture and education.

The eight session of the joint committee started in Beijing on May 25.

Iranian Official on Commission

LD2905194095 Tehran IRNA in English
1906 GMT 29 May 95

[FBIS Transcribed Text] Beijing, May 29, (IRNA) — Iran's vice-president for executive affairs, Hamid Mirzadeh in an exclusive interview with IRNA in the Chinese capital Monday, described the outcome of the 8th Iran-China joint economic commission.

He said that in addition to agreements reached between the two countries regarding increase of Iranian oil exports to China and refinery cooperation, the two countries decided to collaborate in the combined-cycle hydro-electric power plant coming up at Arak at a cost of \$264 million as well as the Karun-3 and Karkheh electric power plants with a capacity of 2,000 and 1000 megawatts.

Mirzadeh disclosed that China also promised to cooperate with Iran in the building of a 10,000-ton zinc and copper plant, setting up of paper, lamp, chemicals, non-ferrous metals and ferro-alloys factories as well as

putting into operation six cement factories with a capacity of a million to [words indistinct] and two glass factories with a capacity of 240,000 tons each.

Among other accords reached by the two countries at the 8th joint economic session, was a project for producing fish-powder from the sea resources in the Gulf of Oman at a cost of \$100 million, he added.

He said the Chinese Government also agreed to collaborate with Iran in the completion of Tehran's subway system at a cost of \$568 million.

The two countries also agreed on exchange of genetic and agricultural materials as well as cooperation in various fields such as afforestation, natural resources, fisheries, medicine, seismological engineering, mines, tile stone powders and university and educational affairs, Mirzadeh added.

Referring to the increase in volume of Tehran-Beijing trade exchanges, he said on the basis of agreements reached between the two sides, Iran would help organize exclusive trade exhibitions and permanent shops in China.

The 8th Iran-China joint economic and commercial commission opened here on last Thursday and concluded its work on Monday with the signing of a \$2 billion. [sentence as received]

Official on Mideast Issues, Ties With Syria

JN2805082795 Damascus AL-BA'TH in Arabic
15 May 95 p3

[Interview with Yu Kuange (name as transliterated), deputy director of the West Asian and North African Affairs Section in the Chinese Foreign Ministry, by the AL-BA'TH mission; place and date not given]

[FBIS Translated Text] [AL-BA'TH] Replying to a question on China's foreign policy toward the Middle East, the Chinese official said:

[Yu] Chinese foreign policy is aimed at guaranteeing a peaceful environment for the internal situation in China. Profound and huge developments have occurred on the international level, especially after Cold War. World nations are now seeking peace and development. You must have observed after your arrival in China that we are seeking to develop our country. This needs a peaceful international environment.

As for the current international situation, which has seen several changes, the policy of domination and force still exists. Regional disputes, such as the Middle East problem, still exist and they are still facing obstacles. The same can also be said about the former Yugoslavia in general, and Bosnia in particular. In general, the world is still unstable.

Yu continued: We in China call for the establishment of a new world order which is based on the five principles of peaceful coexistence for the development of world nations so that they can devote themselves to building their homelands.

This new order is different from the old one. It is based on the five principles of peaceful existence and it opposes domination and the policy of force. Besides, we are interested in establishing relations of friendship and cooperation with all developing nations. This is because China itself is a developing nation and holds views which are close or identical to those of many of the developing nations.

Yu said: We hope to strengthen the relations of consultation with the developing nations in international forums. We also hope to strengthen economic and trade cooperation with these nations. We seek to establish relations of cooperation, friendship, and peaceful existence on the basis of the five principles. In short, our foreign policy is a peaceful policy.

[AL-BA'TH] You have spoken about a new world order away from domination and force. Does it exist, or will it be created under present conditions; that is, in a world which is dominated by one power; namely, the United States?

[Yu] The establishment of a new world economic order is one of our objectives. We are working with the developing countries in order to establish such an order.

[AL-BA'TH] What is the likelihood of establishing such an order at the present time?

[Yu] The domination of the policy of force still exists despite the end of the Cold War. We are moving toward multilateral trends in world conflict; in other words, we are moving toward a multi-polar order which will stand in the way of domination. We welcome this trend.

We also believe that the Third World countries constitute a force against domination. Thus, we are calling for the cooperation of these states in order to eliminate domination.

The establishment of a new order requires time. However, we are optimistic about this development in the world. Nations cannot accept domination and force.

[AL-BA'TH] We want peace to prevail, not just in our region but in the whole world. However, international and regional disputes have increased after the Cold War. What are the motives behind that?

[Yu] Indeed, regional conflicts have increased after the Cold War, but some of them have been in existence for

some time. Our policy is to work for peaceful solutions. In our opinion, this is the main option.

In the Middle East, for instance, the conflict between the Arabs and the Israelis has been moving toward a peaceful solution since the Madrid Peace Conference. Efforts continue to be exerted in order to find a solution to this conflict, although there is still a long way to go. In Africa, disputes are also moving toward peaceful solutions. But we also believe that reaching such solutions require a long time, because they are complicated disputes. This is as far as old conflicts are concerned. As for the new conflicts, such as Bosnia-Herzegovina, they have a religious and ethnic background and are backed by big powers. We in China call for peaceful solutions through negotiations and consultations, whether the conflicts are old or new. We are against imposing sanctions and pressures, because they do not solve problems but complicate them further. It is a form of domination by force.

[AL-BA'TH] What is your position on what has happened and is happening in the Middle East?

[Yu] As I said, we in China are closely following and supporting the peace process in the Middle East, especially since late 1993. There has been progress, such as the agreements between Israel and the Palestinian and Jordanian sides. We in China welcome this progress on the basis of our principled stands regarding the resolution of disputes by peaceful means. We believe that progress on the Palestinian track is just a first step to be followed by other steps which may take a big long in the Middle East. We support the achievement of a just comprehensive solution on the basis of Security Council resolutions.

We have observed that the Palestinian-Israeli negotiations are currently facing difficulties. But what is most important is that the negotiations between your country and Israel have not made any progress. There are still major differences between the two sides on the withdrawal from the Golan, security agreements, and normalization of relations. We believe that if a solution on the occupied Syrian heights is not found, then there will be no resolution for the Middle East question. We have declared on several occasions that we support and call on all sides to come up with flexible and practical stands.

[AL-BA'TH] How do you evaluate relations between Syria and China?

[Yu] Syria is a friendly country. We are pleased to speak about relations with it. It established diplomatic relations in 1956, making it the first Arab state to establish such relations with us. These relations are now more

than 40 years old. We can say that throughout this period, we have coordinated and exchanged opinions. We thank Syria for its support on the question of Taiwan and human rights. In the past two years, bilateral relations have witnessed further development thanks to our common efforts. There has been an intensive exchange of visits at the highest levels, such as the visit of Syrian Vice President 'Abd-al-Halim Khaddam to China. This exchange of high-level visits has helped develop relations between our two countries. Despite the advance in communications, face-to-face meetings are useful in this world.

There are also constant consultations between the two foreign ministries. The Chinese deputy foreign minister visited Syria last year. I accompanied him on that visit. We have good relations in the political field. We exchange support in international forums. The two countries also enjoy very good relations in the economic and cultural fields. We would like to emphasize that there is still a vast scope for economic cooperation. My visit to Syria has left a deep impression that Syria, under the leadership of President Hafiz al-Asad, is making a great effort to build its national economy and that it has already made great achievements to this end.

We believe that it is possible to achieve integration between the two countries in the economic field. The possibilities exist for economic and trade cooperation on the basis of common benefit. In short, we attach importance to developing relations with Syria. We are ready to exert every effort to elevate these relations to a higher level. This is in addition to the existing good relations between our two countries and parties. In a few days, 'Abdallah al-Ahmar, assistant secretary general of the Arab Socialist Ba'th Party, will visit China. This is an important visit. The Foreign Relations Department of the Communist Party of China attaches importance to this visit, which would elevate our relations to a new level.

[AL-BA'TH] How about the international situation and the role of developing countries?

[Yu] These countries hold close views on international issues, including their rejection of the policy of force. They could cooperate and coordinate their stands in international forums. For instance, the Americans are trying to make human rights a political issue. The developing countries could cooperate against or over this issue. We do not oppose the view on human rights, but they — the Americans — use it as a means to interfere in the internal affairs of other countries, which is what we oppose. Cooperation on such issues is possible and could be effective.

[AL-BA'TH] Can the developing countries cooperate within the framework of the Nonaligned Movement?

[Yu] I believe that it will be an effective arena for tackling such issues.

Al-Ahmar Stresses 'Commitment' to Peace Process

JN2605171695 Damascus Syrian Arab Republic Radio Network in Arabic 1515 GMT 26 May 95

[FBIS Translated Excerpt] Beijing — Comrade 'Abdallah al-Ahmar, assistant secretary general of the [Syrian] Arab Socialist Ba'ath Party and head of the party's delegation to the People's Republic of China, has said that the National Progressive Front [NPF] has essentially contributed to boosting national unity and the consolidating the domestic front of people in Syria under the leadership of struggler comrade Hafiz al-Asad, within a framework of a popular democratic system based on political pluralism. This came during the meeting of al-Ahmar and his accompanying delegation with comrade Qian Zhengying, vice-chairwoman of the Chinese People's Political Consultative Conference [CPPCC] today. [passage omitted]

During the meeting, al-Ahmar spoke about the peace process in the region. He stressed Syria's commitment to the basic principles of the peace process based on international legitimacy Resolutions 242, 338, and 425 and the land-for-peace principle. He said Syria is exerting all efforts to make a success of this process. Whereas, he noted, Israel is still far from meeting the requirements of a just and comprehensive peace, given its evasion of announcing a clear commitment to full withdrawal from Golan and southern Lebanon to the 4 June 1967 lines. He briefed the deputy chairwoman of the CPPCC on the major changes and stressed the importance of boosting cooperation between the two countries.

On her part, Qian commended Syria's achievements under struggler leader [as heard] President Hafiz al-Asad. She voiced support for Syria's struggle to restore its lands and efforts to establish a just peace in the region. She stressed the CPPCC's desire for bolstering and upgrading cooperation with the NPF in Syria. [passage omitted]

Economic Delegation Ends Visit to Bangladesh

OW2705111095 Beijing XINHUA in English 1041 GMT 27 May 95

[FBIS Transcribed Text] Dhaka, May 27 (XINHUA) — The 10-member Chinese delegation for the 8th Bangladesh-China Joint Economic Commission (JEC) meeting concluded its 4-day visit to Bangladesh and left for home this afternoon.

During the 8th JEC meeting, the delegation exchanged views with the Bangladeshi side on the state of bilateral trade and economic ties in an atmosphere of cordiality, friendship and understanding. The two sides signed the agreed minutes between the two governments, which stressed the need to strengthen bilateral ties of trade and economic cooperation.

The Chinese side agreed to allow Bangladesh to repay the loan installments due in the next 5 years by commodity and decided to send a buying mission in the later half of this year to purchase Bangladeshi commodities in order to reduce its big trade imbalance against Bangladesh.

The delegation also called on Bangladeshi Ministers of Justice, Finance and Commerce and visited some Chinese-aided or Chinese-built projects in Bangladesh.

Defense Minister Meets Pakistan Navy Chief

OW3005052295 Beijing XINHUA in English 0342 GMT 30 May 95

[FBIS Transcribed Text] Beijing, May 30 (XINHUA) — Chinese State Councillor and Defense Minister Chi Haotian met with Admiral Mansurul Haque, Chief of Pakistan Navy Staff, both hoping for furthering the cooperation between the two armies.

The two peoples and two armies have long-time history of friendship and cooperation, Chi said. The enhancement of the existing friendship and cooperative relations between the two peoples and two armies benefit both the countries and would help promote the bilateral relations, Chi noted.

Present at the meeting was Zhang Lianzhong, Commander of the Navy Force of the Chinese People's Liberation Army (PLA), who held talks with the Pakistan admiral Monday (29 May). PLA Chief of General Staff Zhang Wannian also met with the Pakistani guests Monday.

The Pakistan guests are scheduled to visit Chinese navy vessels and navy academies in Qingdao, Shanghai and Guangzhou.

Sub-Saharan Africa

Cape Verdean President Arrives in Beijing

OW2805040095 Beijing XINHUA in English 0341 GMT 28 May 95

[FBIS Transcribed Text] Beijing, May 28 (XINHUA) — President of the Republic of Cape Verde Antonio Mascarenhas Monteiro arrived here this morning to start a seven-day official visit to China, at the invitation of Chinese President Jiang Zemin,

He was greeted at the airport by He Guoqiang, chairman of the Chinese Government Reception Committee, and vice-minister of Chemical Industry.

Meets With Jiang Zemin

OW2905135295 Beijing XINHUA in English
1334 GMT 29 May 95

[FBIS Transcribed Text] Beijing, May 29 (XINHUA) — Chinese President Jiang Zemin and President of the Republic of Cape Verde Antonio Mascarenhas Monteiro held talks here today.

The two heads of state exchanged views on bilateral relations and international issues of common concern.

Jiang said China and Cape Verde enjoy a traditional friendship, and bilateral relations and co-operation have been increased since the two countries set up diplomatic relations nearly 20 years ago. He added that the two countries share views on major international issues.

China is satisfied with the development of China-Cape Verde relations, Jiang said, and attaches importance to the development of relations with African nations, including Cape Verde. He added that China is willing to make joint efforts with Cape Verde to raise their ties to a higher level.

Monteiro said that maintaining and further developing the existing relations with China is a persistent wish of Cape Verde. He said Cape Verde values the efforts and achievements China has made in developing its national economy, adding that the African country can learn from China's development experience.

On bilateral economic and technological co-operation, Jiang said China and Cape Verde have, for a long time, had effective co-operation on the basis of mutual respect, equality and mutual benefit.

Jiang said that China is now carrying out reforms in its foreign assistance systems. China's foreign assistance in the future will focus on the construction of production projects which meet local needs and can be supplied by local resources in the country accepting the assistance.

The construction and management of such projects can be carried out by establishing joint ventures or other forms, Jiang said. He added that China encourages its enterprises to invest in Cape Verde, saying that such co-operation has potential and flexibility, and will be effective.

Jiang went on to say that the co-operation between China and Cape Verde in the medical field has also been successful. He said Chinese doctors and medical workers in Cape Verde have made positive contribu-

tions to increasing mutual understanding and friendship between the two peoples.

Monteiro said that China, as a developing country, has offered "valuable assistance" to Cape Verde and other African nations, and such assistance has been aimed at promoting the development and unity of African countries.

The government and people of Cape Verde have benefited from China's help, the president said.

He added that Cape Verde hopes to strengthen co-operation with China in international affairs.

Monteiro told Jiang that the government of Cape Verde has always regarded Taiwan's return to the motherland as China's own business which must not be interfered in by any external force.

Jiang expressed appreciation over the "one China" policy pursued by the government of Cape Verde.

Speaking of the situation in Africa, Monteiro said that African nations now are striving for economic development and co-operation. He said Cape Verde will make its own efforts for realizing peace and development in Africa.

Jiang echoed Monteiro by saying that positive changes have taken place in Africa in recent years, but the tremendous changes in the international situation have caused some new problems in that continent.

Jiang said that China appreciates Cape Verde's good-neighborly and non-aligned foreign policy, and highly values its efforts for maintaining African unity and promoting African integration.

China is willing to strengthen discussions and co-operation with Cape Verde and other African countries on international affairs so as to contribute to the establishment of a new international political and economic order, Jiang said.

During the talks, the two leaders also briefed each other on their domestic situations.

After the talks, representatives of the two governments signed an agreement on economic and technological co-operation and another one on feasibility studies of fisheries resources.

Jiang and Monteiro were present at the signing ceremony for the two documents.

Before the talks, Jiang presided over a ceremony at the Great Hall of the People to welcome his guest, who arrived here Sunday for a week-long official visit.

Chinese Vice-Premier and Foreign Minister Qian Qichen was present on the occasion.

In the evening Jiang hosted a banquet in honor of President Monteiro, his wife and party.

Seychelles President Arrives

Tours Shanghai

*OW2905133995 Beijing XINHUA in English
1315 GMT 29 May 95*

[FBIS Transcribed Text] Shanghai, May 29 (XINHUA) — Visiting Seychelles President France Albert Rene and his party arrived in this China's largest economic center from Suzhou today.

Vice-Mayor Sha Lin of Shanghai, on behalf of Mayor Xu Kuangdi, met with Rene and his party here this evening.

The Seychelles President expressed his hope that the economic cooperation between his country and Shanghai would be furthered.

Meets Li Peng

*OW2605134695 Beijing XINHUA in English
1319 GMT 26 May 95*

[FBIS Transcribed Text] Beijing, May 26 (XINHUA) — Chinese Premier Li Peng met with Seychelles President France Albert Rene here today, both believing the President's ongoing China trip would help promote bilateral relations.

Li was happy to meet the President again after four years and described President Rene's talks with Chinese President Jiang Zemin yesterday as "sincere, friendly and fruitful".

The relations between the two countries have become better and better, Rene said, adding that he was excited to witness the conspicuous new progress and changes for the better in China each time he visited China. He thanked the Chinese government for its aid to Seychelles in social development and economic construction.

Li Peng said that the Chinese government has held that all countries, big or small, have the right to choose their own road of development and mode of reform in line with their specific condition, and the Chinese government also appreciated the Seychelles government's efforts to carry out reform while maintaining stability and harmony, and to develop economy.

China has given limited and within-its-reach aid to Seychelles and some other African countries and it attaches no conditions in doing so, Li said.

South African White Homeland Movement Viewed *OW2905125795 Beijing XINHUA in English 1237 GMT 29 May 95*

["Roundup" by Liu Yegang: "Campaign For White Homeland In S. Africa"]

[FBIS Transcribed Text] Johannesburg, May 29 (XINHUA) — The Volkstaat (white homeland) Council of South Africa launched a new drive at the weekend for the establishment of an Afrikaner homeland within the new South Africa.

The council, established under the interim constitution, proposes that 125 suburbs of Pretoria, the administrative capital of South Africa, be included in an homeland for Afrikaners, most of whom are descendants of the Dutch settlers in the country in the 17th century.

According to the proposal, which is part of the Afrikaner homeland plan issued by the Volkstaat Council, Gauteng Province, which will include Pretoria and Johannesburg, will be cut to many pieces.

The proposal as well as some "autonomous areas" with limited "Afrikaner self-government" are contained in the council's first report, a 110-page document presented to President Nelson Mandela on May 25.

Mandela said before last year's general elections that he would never allow the establishment of an Afrikaner homeland.

But Sunday's newspapers said he gave the report a "surprisingly warm welcome" a few days ago.

"Sunday Time" reported that the president went so far as to suggest that white right-wingers who had cooperated with the government in the transitional period could be "rewarded with some form of territorial autonomy".

The proposal further demanded that the homeland contain some 1.375 million Afrikaners.

"This territory represents an area over which the Afrikaner has historical claims to the right to self-determination and in which the Afrikaner constitutes the majority of the population," the report said.

The report said Afrikaners living outside the territory would be offered the chance to live in designated autonomous areas where, in a phrase new to the constitutional dictionary, they would form "concentrated minorities".

The plan to establish White Homeland in South Africa is supported by the right-wing Freedom Front. Its leader Constand Viljoen is to arrange meetings with other Afrikaner political leaders to win support.

He told reporters here Saturday that he hoped to meet National Party leader F.W. DeKlerk and Conservative Party leader Ferdi Hartzenberg.

The National Party, while welcoming the plan as a basis for discussion, criticized the proposal for dividing up Pretoria as being "unthinkable".

The Afrikaner Volkstaat Front said the report was creating false expectations among Afrikaners.

Other political parties and social groups rejected the proposal, saying the Volkstaat Council was not acting on behalf of the nation and the establishment of an "independent state" within South Africa would be very difficult to get popular support.

The African National Congress (ANC) and the Pan Africanist Congress of Azania (PAC) have not yet expressed their position.

Viljoen has said recently that Afrikaners would not reintroduce apartheid policy and their major goal was participation in new South Africa's economic development.

President Mandela, the government of national unity and the parliament are expected to identify their formal comments on the plan.

West Europe

Shaanxi, Antwerp Celebrate Ties

OW2605165995 *Beijing XINHUA in English*
1632 GMT 26 May 95

[FBIS Transcribed Text] Xian, May 26 (XINHUA) — The tenth anniversary of the establishment of sister-province relations between northwest China's Shaanxi and Belgium's Antwerp was celebrated here today.

Cheng Andong, governor of the Chinese province, said that ties between the two areas have been consolidated over the past ten years and have helped promote economic, trade, cultural and sports cooperation.

Antwerp Governor C. Paulus described the prospects for cooperation between the two provinces as "extremely bright".

Both governors referred to the Xian-Janssen Pharmaceutical Co. Ltd., a Sino-Belgian joint venture based here, as a successful example of cooperation between the two provinces.

An artistic performance was staged today to coincide with the ceremony, which was attended by a crowd of more than 1,000, including C. Kirschen, the Belgian ambassador to China.

Last evening the two governors signed a memorandum reiterating the commitment to developing friendly bilateral ties.

The Belgian delegation has been scheduled to visit local colleges, research institutes, and scenic spots during their 7-day stay here. They will also hold wide economic and trade talks with local authorities.

Shanghai Mayor, Heseltine Discuss Investment

OW3005033495 *Shanghai People's Radio Network*
in Mandarin 2300 GMT 17 May 95

[From the "990 Morning News" program]

[FBIS Translated Text] During a meeting with British Secretary of State for Trade and Industry Michael Heseltine at the Hongqiao Guesthouse yesterday [17 May], Shanghai Mayor Xu Kuangdi invited British enterprises to cooperate with Shanghai in economic and trade investment. He expressed the hope that British investors will find many suitable investment projects in Shanghai, and that the British Government will provide assistance to investors.

He said: Currently there are 159 British-funded projects in Shanghai with a total of over \$1 billion in investment. Britain ranks among all foreign countries and tops other EC members in investment in China.

The mayor also briefed the visitor about Shanghai's economic development in the past three years.

The British secretary of state for trade and industry marveled at Shanghai's high growth rate in recent years. He said: Britain, as the European nation which has made the largest investment and technology transfer in Shanghai, hopes to further expand operations in Shanghai.

Heseltine arrived in Shanghai yesterday afternoon after visiting Beijing at the invitation of Wu Yi, minister of foreign economic cooperation and trade. He was accompanied by some 150 British entrepreneurs.

Li Ruihuan Meets Cypriot Party Delegation

OW3005120095 *Beijing XINHUA in English*
1031 GMT 30 May 95

[FBIS Transcribed Text] Beijing, May 30 (XINHUA) — Li Ruihuan, a standing committee member of the Political Bureau of the Communist Party of China (CPC) Central Committee, met here this morning with a delegation from the Democratic Rally of Cyprus led by its president Yiannakis Matsis [spelling of name as received].

They both expressed the desire to strengthen contacts and cooperation between the two parties.

Li, also chairman of the National Committee of the Chinese People's Political Consultative Conference (CPPCC), said the China-Cyprus friendship can be traced back to the ancient times.

Especially since the establishment of diplomatic relations between the two countries more than 20 years ago, the bilateral cooperation in the political, economical and cultural fields have kept expanding and China is satisfied with this, he added.

Li extended his congratulations to the forging of the ties between the Cyprus Democratic Rally and the CPC.

He said: "it is an inevitable trend of development of our time for parties from different countries and with varying concepts to develop their relations and strengthen cooperation in accordance with the four principles that guide the development of the party-to-party relations."

Noting that cooperation between the two ruling parties of China and Cyprus is conducive to the cooperative relations between the two governments, he said "we wish to see the two parties enhance their contacts and have a frequently exchange of views, so as to raise their relations to a new level."

Referring to the issue of Cyprus, Li reaffirmed China's consistent position for its fair and reasonable settlement through peaceful consultations.

Matsis said the Cyprus people cherish their friendly feelings for the Chinese people, and that they are very pleased with the tremendous achievements that China has scored in its reform and opening to the outside world.

He noted that the Cyprus Democratic Rally appreciated the efforts made by the CPC in bringing welfare to the people and safeguarding world peace.

It intends to strengthen its contacts with the Communist Party of China and increase mutual understanding and cooperation, so as to contribute to the further growth of bilateral friendly ties and cooperation, Matsis said.

Li briefed the visitors on China's domestic situation and the CPC's main tasks.

Li Shuzheng, head of the International Liaison Department of the CPC Central Committee, attended the meeting.

The Cyprus visitors arrived here on May 28 at the invitation of the CPC.

Li held working talks with the Cyprus delegation on Monday.

Qian Qichen Meets Turkish Foreign Minister

OW2705134495 Beijing XINHUA Domestic Service in Chinese 1042 GMT 23 May 95

[FBIS Translated Text] Beijing, 23 May (XINHUA) — Qian Qichen, vice premier of the State Council and foreign minister, held talks with visiting Turkish Foreign Minister Inonu, this afternoon in Beijing. The two ministers exchanged views on bilateral relations and agreed on a wide range of issues.

Qian Qichen said: Friendly exchanges between China and Turkey have a long history. Turkey is a bridge linking Asia to Europe; China attaches importance to developing friendly and cooperative relations with Turkey. In the current complicated and ever-changing international situation, maintaining and strengthening Sino-Turkish friendly and cooperative relations not only is in line with the fundamental interests of the people of the two countries, but also will contribute to regional and world peace and stability.

Qian Qichen added: President Demirel's current visit to China is a major event in Sino-Turkish relations; I hope the visit will further develop bilateral relations.

Inonu said the Turkish Government attaches importance to Turkey's relations with China. He said he was happy to see that relations in various fields between the two countries had developed quite rapidly over the past few years, and expressed the hope that bilateral relations would further develop with the two countries' common efforts.

Inonu said: The Turkish Government maintains that there is only one China in the world, that is the PRC, and that Taiwan is an inseparable part of Chinese territory. The Turkish Government has always adhered to its one-China policy.

Qian Qichen applauded the Turkish Government's stand.

The two foreign ministers also exchanged views on international and regional issues of common concern.

Turkish President Demirel Visits Shanghai

OW2605143695 Beijing XINHUA in English 1409 GMT 26 May 95

[FBIS Transcribed Text] Shanghai, May 26 (XINHUA) — Shanghai Mayor Xu Kuangdi met with visiting Turkish President Suleyman Demirel here today.

Xu outlined to Demirel his city's reform and opening up processes and the construction of the Pudong New Area.

Turkey appreciates Shanghai's economic achievements, President Demirel said, while expressing the hope that the economic, technical and cultural cooperation between his country and China's largest industrial and commercial city of Shanghai would be further enhanced.

Demirel and his party arrived here from Xian Thursday. The Turkish guests visited a newly built television tower, the Pudong New Area and a museum today.

Also today, the Turkish businessmen, who are accompanying President Demirel on his visit, attended a Shanghai-Turkey economic and trade fair.

President Ends Visit

OW2705045395 Beijing XINHUA in English
0424 GMT 27 May 95

[FBIS Transcribed Text] Shanghai, May 27 (XINHUA) — Visiting Turkish President Suleyman Demirel wound up his five-day visit to China and left here for home this morning.

Upon his departure, Demirel said that Turkey and China should further strengthen trade relations and economic co-operation.

Liu Zhongli, chairman of the Chinese Government Reception Committee and minister of finance, and leading officials of Shanghai went to see President Demirel off at the airport.

East Europe

Macedonian Foreign Minister To Visit 29 May

OW2705084095 Beijing XINHUA in English
0806 GMT 27 May 95

[FBIS Transcribed Text] Tirana, May 26 (XINHUA) — Macedonian Minister of Foreign Affairs Stevo Crvenkovski said that his upcoming visit to China will lay a solid foundation for political, economic, and cultural cooperation between the two countries.

Crvenkovski is scheduled to begin his visit to China on May 29. It will be the first time a Macedonian foreign minister has visited China since the two countries established diplomatic relations in 1993.

In an interview with XINHUA on the eve of his China visit, the Macedonian foreign minister praised China's policies of opening and reform, adding that Macedonia is closely following the fast-growing economy in China.

He said Macedonia could learn a great deal from China's experience as his country seeks to implement its own economic reforms.

Delegation Says Poland Visit 'Successful'

OW2805080495 Beijing XINHUA in English
0738 GMT 28 May 95

[FBIS Transcribed Text] Warsaw, May 27 (XINHUA) — The head of a delegation from the National People's Congress (NPC) of China expressed satisfaction at their week-long visit here today.

"Our visit is successful and has achieved expected results," said Cui Naifu, an NPC Standing Committee member, who is heading a Chinese parliament delegation on a friendly visit to Poland.

He added that the visit has promoted better understanding between the two countries' parliaments.

During the visit, the delegation met with Speaker of the Polish House of Representatives Josef Zych and the leader of the Democratic Left Alliance, Aleksander Kwasniewski.

The two sides discussed ways of developing friendly cooperation between the Chinese and Polish parliaments and exchange of visits of businessmen, Cui said.

He also noted that the Polish government is expecting the furtherance of friendship between the two countries and pins hopes on China's policy of opening up to the outside world.

The NPC delegation arrived here on May 21 and will leave for home tomorrow.

Vice-Chairman Wu Meets Yugoslav Visitors

OW2705042595 Beijing XINHUA in English
0402 GMT 27 May 95

[FBIS Transcribed Text] Beijing, May 27 (XINHUA) — Wu Xueqian, vice-chairman of the Chinese People's Political Consultative Conference (CPPCC) National Committee and president of the Association for International Understanding of China (AIUC), met with Prof. M. Mardovic, a leading scholar and social activist from Yugoslavia, here this morning.

Prof. S. Unkovic, a noted Yugoslav economist, was present at the meeting.

The Yugoslav guests are here as guests of the AIUC.

Latin America & Caribbean

Li Tieying Discusses Economic Reform in Brazil

OW2805060395 Beijing XINHUA Domestic Service
in Chinese 0639 GMT 23 May 95

[By reporter Liu Ruichang (0491 3843 1603)]

[FBIS Translated Text] Sao Paulo, 22 May (XINHUA) — State Councillor Li Tieying, who is paying a visit here, delivered a speech entitled "China's Reform and Opening Up — the Great Practice of 1.2 Billion People" at the Brazilian World Economy Research Institute on 22 May, and emphatically talked about China's three basic experiences in reforming the economic structure.

Li Tieying said: China's basic experiences in reforming economic structure can be summed up in the following three points: 1. Upholding the correct handling of the relationship between development, reform, and stability, with development as the goal, reform as the means, and stability as the premise. It is necessary to center around the economic construction and make the liberation and development of productive forces through reform and opening up the basic task of China. 2. Persisting in the integration of reform in the country and opening up to the outside world, so that both of them will promote and complement each other. While absorbing and using the successful experiences of other countries, we will take China's actual conditions into consideration and take the road with Chinese characteristics instead of copying other countries' patterns. 3. Promoting reform by closely centering on questions that need to be solved for economic development. Reform and opening up should be promoted in an all-round way and advanced step by step with breakthroughs in important areas. Generally, pilot projects should be launched first in microeconomic reform for gaining experiences, whereas macroeconomic reform should be promoted in an overall and systematic way to avoid big shake-ups.

Li Tieying noted: Presently, China has established the objective and mode of a socialist market economic structure and profound changes have taken place in China's economic structure.

Li Tieying said: Reform and opening up over the past 16 years have greatly liberated and developed productive forces, brought about profound changes to the appearance of China, and significantly improved people's living standards.

Li Tieying said: China is still a developing country. Although its aggregate economic volume is fairly large, per capita consumption is still low. China will still distinctly have the major characteristics of a developing country for a long time to come, even in terms of

the World Bank and International Monetary Fund's purchasing power parity.

Speaking on the friendly and cooperative relations between China and Brazil, Li Tieying said: The friendly and cooperative relations between the two countries have been further consolidated and developed in recent years. The two countries have similar views on many important international issues and are highly complementary to each other; they have a bright future in exchange and cooperation in cultural, technological, and other areas.

Hu Jintao Meets Chilean Party Delegation

OW2605132595 Beijing XINHUA in English
1256 GMT 26 May 95

[FBIS Transcribed Text] Beijing, May 26 (XINHUA) — Hu Jintao, standing committee member of the Political Bureau of the Central Committee of the Communist Party of China (CPC), met with a delegation from the Chilean Party for Democracy led by its Chairman Jorge Schaulsohn here this afternoon.

Hu said that Chile is the first South American country to establish diplomatic relations with China.

The Chinese people will never forget that the late Chilean President Salvador Allende Gossens made the decision to forge diplomatic ties with China 25 years ago, he added.

Hu appreciated the efforts of the Chilean Party for Democracy in pursuing a friendly policy towards China and pushing forward bilateral relations.

He said that he was confident that the current and first China visit by the Chilean party will be conducive to increasing mutual understanding and friendship between the two parties, but also to promoting the growth of Sino-Chilean friendly ties and cooperation.

Schaulsohn said that the Chilean Party for Democracy places great importance on developing its ties with the CPC and appreciates the CPC's four principles of handling its ties with foreign political parties.

He said that Chile is interested in China's changes and achievements, hoping that he will make use of this visit to acquaint himself with China's experiences in economic development and social reform so as to absorb those beneficial to the country.

The delegation arrived here on May 25 at the invitation of the International Liaison Department of the CPC Central Committee.

This morning, Li Shuzheng, head of the host department, held working talks with the delegation.

Besides Beijing, the delegation will also tour Hangzhou, Shanghai and northwest China's Shaanxi Province.

Further on Wu Yi Meeting With Colombian Minister

HK2805084995 *Beijing CHINA DAILY (BUSINESS WEEKLY) in English* 28 May-3 Jun 95 p 2

[Article by Sun Hong: "Colombia, China Talk About Ties"]

[FBIS Transcribed Text] Wu Yi, Minister of Foreign Trade and Economic Co-operation, told her Colombian counterpart, Daniel Mazuera Gomez, last week that his visit will promote bilateral trade and economic ties.

Mazuera Gomez arrived on May 21 to preside with Wu over the fourth session of the Sino-Colombian trade and economic co-operation committee.

Wu said trade links between Colombia and China has shown noted development with backing by the governments.

Chinese Customs statistics show that during the first four months of this year, Sino-Colombian trade volume reached \$12.1 million.

Last year, trade volume was \$47.56 million, shooting up 89.1 per cent over 1993.

China has mainly exported paraffin wax, machinery, and textiles, and has imported coffee beans and bananas.

Wu said China welcomes Colombian investment, especially in China's inland, which has vast lands, abundant natural resources and cheap labour.

She said capital- and high-tech-intensive sectors are development priorities, and guidelines on overseas investment are expected to come out soon.

Mazuera Gomez said Colombia is enhancing economic ties in the Asia-Pacific region.

"My visit demonstrates the Colombian Government's will to develop close co-operative relations with China in economy, trade and other sectors," he said. He said Colombia is interested in expanding technical co-operation with China in hydropower stations, silk, agriculture and fish farming where China has technological advantages.

He invited Chinese investors to Colombia, where nine free trade zones have been established, providing opportunities for sales of Chinese commodities in Colombia and neighbouring countries.

Wu called Colombia's Asia-Pacific-region-oriented strategy "a long-term view," because the region not

only represents the most active economies in the world, but also has significance next century.

Addressing China's surplus in trade with Colombia, Wu said efforts will be made to promote Colombia imports, and she welcomes more Colombian investment.

As to the rising anti-dumping cases targeting Chinese exports, Wu called on friendly negotiations to solve the problem adequately.

She said the Chinese Government has issued regulations banning exporting Chinese commodities at unreasonably low prices. Violators will be punished and their foreign trade rights will be cancelled if they do not correct their behavior.

However, she said, prices of some Chinese goods are low because of the cheaper labour and raw materials in China. "China is against any form of trade protectionism under the pretense of anti-dumping," she said.

Li Tieying Arrives in Mexico 25 May

OW2605023895 *Beijing XINHUA in English* 0127 GMT 26 May 95

[FBIS Transcribed Text] Mexico City, May 25 (XINHUA) — Chinese State Councillor Li Tieying arrived here this morning to pay an official visit at the invitation of the Mexican Government.

Upon arrival, Li told reporters that he would study with his Mexico hosts the possibility of further cooperation between the two countries.

During his stay, Li is expected to meet with Mexican President Ernesto Zedillo, Secretary of Treasury and Public Credit Guillermo Ortiz and Secretary of Commerce and Industrial Development Minister Herminio Blanco.

Meets Mexican President

OW3005052395 *Beijing XINHUA in English* 0235 GMT 30 May 95

[FBIS Transcribed Text] Mexico City, May 29 (XINHUA) — Mexican President Ernesto Zedillo today expressed confidence in coping with his country's financial crisis and agreed to boost cooperation with China in various fields.

The president was speaking during a meeting here today with Chinese State Councillor Li Tieying.

At the meeting, Li, who is also chairman of China's State Commission for Restructuring Economic System, briefed the president of China's political and economic situation and its major achievements during the past few years.

Li also invited the president to visit China.

Both leaders manifested their satisfaction over the current bilateral relations and hoped to further consolidate them and boost bilateral cooperation.

Li arrived here last Thursday [25 May] after his trip to Argentina and Brazil.

During his stay in Mexico, the State Councillor met with Mexico's acting foreign minister, finance minister and trade minister.

Li is scheduled to visit the northern border city of Tijuana before ending his visit on Tuesday.

Cuba Celebrates Anniversary of Chinese Arrival

*OW2805040195 Beijing XINHUA in English
0322 GMT 28 May 95*

[FBIS Transcribed Text] Havana, May 27 (XINHUA)
— Celebrations to mark the 148th anniversary of the Chinese presence in Cuba started here today.

Paintings, sculptures and handicrafts by the descendants of Chinese immigrants in Cuba and other overseas Chinese were on display at the inaugural ceremony.

Artistic festivals, a recreative fair and forums on the Chinese presence in Cuba will be held during the celebrations, which will continue until June 3. There will also be lectures on traditional Chinese medicine.

The first group of Chinese immigrants, numbering 206, arrived in Cuba on June 3, 1847, starting their integration into Cuban society. The Chinese have played an important role in the development of the Cuban economy.

General

Li Peng Reportedly To 'Quash' Dissident Movement

HK3005010495 Hong Kong SOUTH CHINA MORNING POST in English 30 May 95 p 1

[By Agnes Cheung and Willy Wo-Lap Lam]

[FBIS Transcribed Text] China's Prime Minister Li Peng has taken charge of efforts to quash the resurgent dissident movement, with intelligence units being told to crack its "foreign connection". In a related move to consolidate the leadership's position, President Jiang Zemin is taking steps to contain the influence of two of his leading foes, former president Yang Shangkun and ousted party chief Zhao Ziyang. Mr Yang, and particularly Mr Zhao, are considered close to the Communist Party's liberal elements.

These concerted actions are seen by Mr Li and Mr Jiang, who have renewed their power pact, as crucial to ensuring a smooth transition to the post-Deng Xiaoping era. Security sources in Beijing said yesterday that Mr Li and his trouble-shooter, State Council Secretary-General Luo Gan, had ordered the Ministries of State Security and Public Security to redouble their anti-subversion operations now that the latest dissident movement had spread to more than 10 provinces and major cities.

Activists have signed petitions and organised underground rings to call for a faster pace of democratisation, including overturning the official verdict on the June 4, 1989 crackdown. The sources said Mr Li and Mr Luo had concluded that "covert operatives from a major Western power" had given financial and technological support to different dissident rings. The two leaders also believed that the "operatives" wanted to put together a national network of underground organisations which would spring to action after the death of patriarch Deng Xiaoping.

Mr Li reportedly ordered that the ring-leaders be given tough jail terms, and that all resources, including counter-espionage units, be deployed to stop foreign infiltration. Despite Mr Jiang's attempt to rein in the activities of Mr Yang and Mr Zhao, a party source in Beijing said yesterday that Mr Yang had defied the President's orders to stay in the capital.

The 88-year-old former military strongman, who enjoys good health, is believed to be touring Changsha, capital of Hunan province. "Jiang's order was relayed to Yang on May 1 and at first Yang obeyed it and cancelled a trip to Xian," the source said. "But on the 21st, Yang left the capital for Changsha for an unknown reason."

Mr Yang spent most of last spring in Guangdong where he reportedly hobnobbed with major party and

military figures in the southern province. Mr Yang retains influence in the party and army, and the source said Mr Jiang did not want him to move around the country for fear that he might threaten the President's power base.

At the same time, Mr Zhao, 76, who is also in good health, has been active reviving old networks. A senior Western diplomat in Beijing said the former party chief was seen in Anhui in late April and early May. "As usual, the Jiang Zemin Office issued orders to local cadres asking them to treat Zhao as no more than an ordinary party member," the diplomat said. "However, Zhao managed to see important politicians in the east China province."

Political sources in the capital said while Mr Jiang was concentrating on boosting his hold on the Army and intelligence establishment. The sources believed the President would strike back after he had tightened his grip over the tools of the "dictatorship of the proletariat". Under the President's orders, the Army passed regulations this week stressing its "absolute loyalty" to the party leadership with Mr Jiang as its "core".

Yang Shangkun Inspects Naval Bases in Shandong

HK3005040895 Hong Kong EASTERN EXPRESS in English 30 May 95 p 1

[By Bruce Gilley]

[FBIS Transcribed Text] Party and military elder Yang Shangkun has inspected two naval bases in the Shandong province city of Qingdao in a sign of his renewed importance as a senior leader. The inspection, which took place last weekend, included one submarine fleet and another unspecified fleet, both at bases to the north-east of the port city, sources said. Qingdao is the headquarters of the north sea fleet of the People's Liberation Army (PLA). Its complement of approximately 300 ships includes two tactical submarine squadrons.

Analysts said it was unusual for Yang, a former state president and first vice-chairman of the party's military commission, to make the visits. He has not been allowed by the leadership to visit military facilities since being forcibly retired from all posts in 1992 in response to a perceived expansion of his family's power base within the PLA.

Doctors accompanying the 88-year-old elder had also advised him to rest after arriving in Qingdao last Wednesday [21 May], sources added.

The inspections are being seen as a sign that Yang will emerge as one of the country's key father-figures after

the death of patriarch Deng Xiaoping. They are also thought to reflect his continued popularity within the ranks, despite attempts by party General-Secretary Jiang Zemin to weaken this loyalty.

Sources said Yang was currently resting at the State Guesthouse along the eastern shores of Qingdao, Shandong's major trading port. All traffic in and out of the district around the guesthouse has been banned during the visit. Armed police can be seen on guard in the vicinity, as well as along the number two beach which fronts the area. The beach was set aside for foreigners before 1949, and then made available exclusively for state leaders and foreign dignitaries until the mid-1980s.

While in Qingdao, Yang has held a meeting with a vice-minister of civil affairs, Yang Yanyin, who has been evaluating the city's efforts to improve civilian-military relations, known as "double-support" work. However, city leaders have sought to play down the visit, forbidding any media reports until he leaves.

Local residents, who enjoy one of northern China's most liberal environments, took Yang's presence in stride. "He's only the first to arrive. In a few months, this place will be crawling with all these senior officials from Beijing," said one gardener at a colonial villa being spruced up for an unknown leader this summer.

Qingdao is a favourite destination for ailing party leaders during the summer, because its peak heat does not arrive until August, a month later than elsewhere. Despite his age, Yang is thought to have no serious ailments and maintains a hectic schedule of visits around the country. Yang's continuing interest in military matters was signalled in February, when he held private meetings with senior and retired PLA officers in Zhuhai after an inspection of Guangdong province. The meetings enraged Jiang, who ordered an investigation into all serving officers who attended.

Jiang Zemin, Li Peng Meet Table Tennis Coaches

*HK2805022795 Beijing CHINA DAILY in English
26 May 95 p 1*

[FBIS Transcribed Text] President Jiang Zemin, Premier Li Peng and Chinese People's Political Consultative Conference (CPPCC) Chairman Li Ruihuan met with top Chinese table tennis coaches and players yesterday afternoon at the Great Hall of the People.

These coaches and players of the Chinese team participated in the 43rd World Table Tennis Championships held in Tianjin early this month and won all seven events.

State Physical Culture and Sports Commission Minister Wu Shaoyu chaired the meeting where Jiang, also General Secretary of the Chinese Communist Party's Central Committee and Chairman of the Central Military Commission, and other State leaders heard players' and coaches' reports.

Jiang then said Chinese team members not only showed superb playing skills but also great positive spirit during the tournament.

Jiang noted that China has been a top leader in world table tennis over the past decades, not an easy accomplishment.

He urged all Chinese people to maintain this national winning spirit and work hard like the Chinese table tennis team.

He hoped Chinese coaches and players would continue to be clear-minded and modest and contribute to the promotion, understanding and friendship among players and peoples from different countries and regions.

Deng Pufang: Deng Xiaoping 'in Very Good Health'

*HK2905151795 Hong Kong Television Broadcasts
Limited in English 1200 GMT 29 May 95*

[From the "News at 8:00" program]

[FBIS Transcribed Text] The children of Chinese paramount leader Deng Xiaoping are once again laying to rest fears that their father's health is declining. This time the comments were made by Deng's eldest son Deng Pufang, who is in Australia for a two-week tour. Hope Ngo has more:

Deng Pufang is head of China's Disabled Persons Federation and he is in Australia to promote bilateral cooperation on issues concerning the physically challenged, but in the eyes of most observers, Deng Pufang is, first and foremost, the eldest son of paramount leader Deng Xiaoping, and no encounter with a Deng offspring would have been complete without raising the issue of the paramount leader's health.

[Begin recording] [Unidentified interviewer, in Mandarin] Could you brief us on your father's health?

[Deng Pufang, in Mandarin] He is in very good health. Thank you for your concern. [end recording]

Deng Pufang is confident his father's death will not lead to chaos in China.

[Begin recording] [Deng Pufang, in Mandarin] As everyone can observe, China's economy keeps developing in a sustained and stable manner. Moreover,

China is making some progress in democratic development, cultural, and social development. All these facts demonstrate that China's leadership is quite strong. [end recording]

He was careful in sidestepping more sensitive issues. He offered no response to recent allegations that the Australian Government has been spying on the Chinese embassy.

Hope Ngo, TVB News.

Wei Jianxing Calls Wang Baosen 'Corrupt'

OW3005081495 Beijing XINHUA Domestic Service
in Chinese 1405 GMT 23 May 95

[By reporter Xu Jiangshan (1776 3068 0810)]

[FBIS Translated Text] Beijing, 23 May (XINHUA) — Wei Jianxing, member of the CPC Central Committee Political Bureau and secretary of the Beijing Municipal CPC Committee, delivered a warm parting speech to cadres from Beijing due to be sent to help in Tibet. He pointed out the important thing in emulating Kong Fansen's deeds lay in perseverance, indepthness, and in stressing practical results.

Beijing has designed a plan to dispatch 24 aid-Tibet cadres. About 800 cadres in Beijing applied for the positions. Of the 24 Tibet-bound cadres, the oldest is 44 years old and the youngest 26; one is female; 16 are either section chief or deputy section chief-level cadres; 8 are division-level cadres; all are educated to college level or higher.

In his speech, Wei Jianxing said: Comrade Kong Fansen was a model for leading cadres. The reason Kong Fansen's deeds have found a great echo in the hearts of the broad mass of the people is exactly because he was able to persist in his ideals and in pursuit of his faith despite being faced with the impact of the great tide of the commodity economy. Compared to him, some party members and cadres, individual leading cadres in particular, have failed the test in administration, in reform, and in opening up, instead they have turned their backs on and deviated from the purpose of the party, have sought personal gain by abusing power, have engaged in corrupt practices and in bending the law, have carried out speculative operations, and have become decadent and led dissipated lives. Corrupt elements such as Wang Baosen [the former Beijing mayor who committed suicide because of suspected involvement in corruption], though an extreme minority, have the great value of inducing us to reflect deeply as well as the value of deeply summing up painful lessons from them. If we treat them lightly and let them

proliferate, they will bury the party, the people's regime, and the great socialist modernization cause.

Wei Jianxing stressed the need to implement the study of Kong Fansen's deeds to enhance the party spirit, cement socialist ideals and convictions, encourage selfless devotion, wholeheartedly serve the people, drive the opposition to corruption and lead a plain life, improve party work-style and build a clean administration, and work in a down-to-earth manner.

Dissidents Disappear; Security Tightened in South

HK2905060095 Hong Kong EASTERN EXPRESS
in English 29 May 95 p 8

[By Didi Tatlow]

[FBIS Transcribed Text] At least two more Chinese citizens disappeared over the weekend, others remain in custody after questioning and still others were released after interrogation as the police continued to slash through China's dissident community in the toughest pre-June 4 action to date.

The busy season for police was also evident in the south of the country, with express trains leaving Guangzhou for Hong Kong carrying squads of about 20 uniformed public security bureau (PSB) officers in a markedly increased security presence.

PSB officers scrutinised passengers throughout the journey and took detailed notes of passengers' passport particulars. Express trains were specially halted at the Shenzhen-Hong Kong border where the police officers disembarked. The Guangzhou-Hong Kong express normally travels through the border without stopping.

Ding Ziling and Xu Liangying, two of China's most prominent government critics, had their telephone lines cut on Saturday [27 May], two days after being awarded the 1995 Heinz R Pagels Human Rights of Scientists award, given by the New York Academy of Sciences.

In Beijing, Democracy Wall veteran He Depu was taken away by three police officers at 10am on Saturday, Human Rights In China (HRIC) said yesterday. Unlike two previous occasions this week, police did not tell family members He was being taken for questioning. There has so far been no word of his whereabouts.

Fu Guoyong, 28, a private businessman from Zhejiang province was arrested in Hangzhou on May 24. There has been no word of him since then. Fu began to publish Generation magazine, a private journal, in 1988 and distributed it in Beijing in 1989. He served two years in a labour camp during the government crackdown in the aftermath of the Tiananmen Square massacre. Friends of Wang Yongqing, whose disappearance was reported

on Friday, were informed by police that Wang would spend "a long time in jail", HRIC said yesterday.

Many known critics of the government who have gone missing in the past two weeks are still unaccounted for. Huang Qiang, taken away for questioning on Wednesday, is still in police custody, according to HRIC.

The group reported that police appear to be gathering circumstantial evidence against Wang Dan, whose hunger strike was reportedly confirmed to his mother by police late on Thursday afternoon, according to Hong Kong-based sources. The second detention and questioning this week of Bao Zunxin in Beijing appears to have been related to Wang.

Police detained Bao for the second time this week last Thursday at 11 pm and released him at 1 am on Saturday after questioning by three PSB officers about the activities of Wang Dan. Bao, 56, is a historian and philosopher and has already spent three years in jail for supporting the 1989 democracy movement. Jin Yanming, the wife of veteran dissident Liu Jingsheng who is in jail for political crimes, was picked up on May 25 and questioned for two hours.

Hainan Police Detain 6 Pro-Democracy Activists

*HK2905033095 Hong Kong AFP in English
0304 GMT 29 May 95*

[FBIS Transcribed Text] Beijing, May 29 (AFP)—Police in China's southern island province of Hainan have rounded up a group of six dissidents, a human rights group said Monday, in a further widening of the nationwide crackdown on pro-democracy activists.

The latest arrests bring the estimated number of intellectuals and dissidents picked up in the past two weeks to more than 40 — 25 of whom have yet to be released — as the authorities prepare for the sixth anniversary of the Tiananmen Massacre on June 4.

Police raided a meeting at the house of dissident Fang Zhen on the afternoon of May 26 in the Hainan provincial capital, Haikou, taking away Fang, his sister Fang Meng, and activists Lu Jiangtai, Zheng Xuguang, Gao Min and Chen Xuewen.

According to the US-based Human Rights in China (HRC), the Fangs and Gao Min were released after questioning, while the other three dissidents, who were preparing an article condemning government corruption, were still in detention as of Monday.

Significantly, the raid was carried out by police from Beijing, HRC said, citing a local public security official.

Fang Zhen, who lost both his legs after being crushed by a tank during the brutal suppression on June 4 of the 1989 pro-democracy movement, came to prominence last year when he was barred from participating in the Asia-Pacific disabled games held in Beijing.

Zheng Xuguang was on the list of 21 most-wanted students in 1989 and served a two-year prison sentence for his role in the democracy movement. He was further detained for 10 months in 1993 after co-founding the "Peace Charter" movement.

Chen Xuewen, a former student at Shaanxi Normal University, was sentenced to two years in prison in the wake of the 1989 crackdown. Lu Jiangtai, a former student at Hunan Mineral College, also took part in the pro-democracy movement.

The presence of Zheng, Chen and Lu — none of whom are Hainan residents — reflected a trend of the latest crackdown, which has seen many activists arrested while attending meetings outside their home provinces or cities of residence.

Meanwhile, another prominent activist, Zhai Weimin, was reportedly taken into custody by Beijing police on Thursday and forced to return to his home province of Henan.

Zhai was also on the 21 most-wanted list after June 4, but the HCR report pointed out that he had signed none of the recent petitions that sparked last week's police sweep.

Former 1989 student leader Wang Dan, who was picked up in Beijing May 21, remained in police custody Monday, his mother said, adding that the authorities had rejected all requests for information about her son's situation.

Further on Wang Dan

*HK2705040095 Hong Kong EASTERN EXPRESS
in English 27 May 95 p 7*

[By Didi Tatlow]

[FBIS Transcribed Text] Beijing police have admitted that dissident Wang Dan is on hunger strike but say they have a "method of making him eat", sources said yesterday. Police did not explain what method they planned to employ, and it was not clear last night whether force-feeding was an option. "Police told his mother that they have a way of making him take food," a source said.

Police are concerned that Wang will die in detention. Before he was picked up Wang vowed to give his life for the democratic movement if he was arrested again. The

news of his hunger strike was conveyed to his mother two days ago.

One more arrest was reported yesterday, and two other people were brought in for questioning in Beijing, bringing the number of known detentions and arrests to more than 20 for the annual pre-June 4 round-up of dissidents. Wang Youcai, a prominent figure in the 1989 democracy protests, was arrested in the eastern city of Hangzhou yesterday, according to the New York-based Human Rights in China (HRC).

Wang Zhihong, the wife of a noted dissident, Chen Ziming, was taken in for questioning yesterday in Beijing. Li Hai, a philosophy student from Beijing University, was also detained yesterday in the city. Li, who signed the 1993 Peace Charter reissued two days ago, was jailed after the Tiananmen Square massacre and briefly detained again in 1994.

Qian Yumin, also a signatory of the 1993 Peace Charter, was taken away on May 23 for questioning. He was held from 4.30pm to 8pm in a Beijing police station. Li and Qian were released after questioning. Qian was also a member of the Autonomous Workers Federation, set up by the exiled labour activist Han Dongfang.

He Depu, a veteran Democracy Wall activist picked up for questioning on May 23, was interrogated for the second time yesterday in Beijing. Police reportedly told He that he was picked up the second time for telling friends in Hong Kong about his first detention on May 23. Police told him he was not permitted to tell outsiders about such things.

Police in Beijing yesterday threatened the signatories of public petitions that they would not be released. Many of those detained in the current spate of arrests were signatories of a recent petition calling on China to respect the 1995 United Nations Year of Tolerance.

HRC yesterday called on the impending Group of Seven summit to discuss China's human rights record. The summit, to be held in Halifax, Canada, will convene in June. The G7 meeting in Rome last June ignored a similar plea from HRC. The exact number of people arrested so far in the purge of Beijing's dissident community is unclear as many of those who have been picked up have not been charged, nor is it clear if they will be.

New Petition Calls For Freeing Wang Dan, Others
HK2905094895 Hong Kong AFP in English
0602 GMT 29 May 95

[FBIS Transcribed Text] Beijing, May 29 (AFP)—Ten dissidents sent a new petition to the Chinese parliament Monday calling for the release of Wang Dan and

other dissidents imprisoned in the runup to the June 4 Tiananmen Square anniversary.

The letter was written by Lin Mu, 67, who was secretary to former Communist Party general secretary Hu Yaobang. Lin has written three "open letters" in the past 15 days and was briefly detained last week.

"In the last few days, more than 20 people have been detained, in particular the former student leader Wang Dan," Lin quoted the letter as saying. "He has been on a hunger strike for seven days and his life is in danger. We are very concerned."

Wang, who was picked up in Beijing May 21, remained in police custody Monday, his mother said, adding that the authorities had rejected all requests for information.

"We ask parliament to take steps to free Wang Dan and the other detainees," the petition. [sentence as received] It added that the 10 behind the appeal sought "tolerance and stability and for a reconciliation among all Chinese people, inside and outside, and to promote a modern economy, political democratization and a society based on the rule of law."

Lin, whose last post was Communist Party secretary at the Northwest University in Xian, said the letter was signed by five other residents of Xian, three from Hangzhou and one from Chongqing.

Lin was co-author with Xu Liangying, a professor, of a petition signed on May 15 by 45 intellectuals and scientists. His detention came after he wrote a second open letter last week in favor of imprisoned dissidents. The second letter was signed by six other intellectuals.

"I was taken to my home in Xian on May 26 by police, who told me to not leave the city and to stay home," he said.

Police in China's southern island province of Hainan have detained six dissidents, a human rights group said Monday, in a further widening of the nationwide crackdown on pro-democracy activists.

The latest arrests bring the estimated number of intellectuals and dissidents picked up in the past two weeks to more than 40 — 25 of whom have yet to be released — as the authorities prepare for the sixth anniversary of the Tiananmen Massacre on June 4.

University Warns Activist Ding Zilin To Stop
HK2605121295 Hong Kong AFP in English
1152 GMT 26 May 95

[FBIS Transcribed Text] Beijing, May 26 (AFP) — Authorities at the People's University in Beijing have told Ding Zilin, who recently signed two pro-democracy

petitions, to cease all her activities in the run up to the sixth anniversary of the Tiananmen massacre.

"Two university officials came to my place to tell me I should stop opposing the government, violating laws and tarnishing China's image abroad," said Ding, 56, a philosophy professor. "I showed them the letters I had signed and asked them in what way I had committed an offence or demonstrated opposition to the government, but they did not reply," she said. "We have warned you: if you do not stop your activities, you alone will bear the consequences," the university officials told her.

Ding is one of the 27 women who sent a letter to the Chinese parliament Friday asking for the setting up of a commission to inquire into the Tiananmen massacre in which they lost their children or husbands. Her son was among those killed by the army in the early hours of June 4 1989 when the Beijing Spring movement was snuffed out. Since that tragedy, she has tried to put together a list of victims, who may number hundreds or even thousands. She also signed a letter calling for "tolerance" which was drafted by the physicist Xu Liangying, 75.

Since its publication on May 16, followed by three other pro-democracy documents, the authorities have mounted a "clean-up" of dissidents. At least 15 of them have been picked up or have gone missing over the past 11 days. Meanwhile, a dozen activists and intellectuals were subjected to lengthy interrogations by police over the past few days and are being kept under watch.

University Student Calls For 4 June Commemoration

*HK2705025095 Hong Kong AFP in English
0240 GMT 27 May 95*

[FBIS Transcribed Text] Beijing, May 27 (AFP)—A Beijing University student has called on classmates to protest against the detention of leading dissident Wang Dan and openly commemorate the upcoming sixth anniversary of the Tiananmen Massacre.

In a three-point declaration dated Friday [26 May] and seen Saturday, Lu Siqing said he and fellow students were "greatly concerned" about the fate of Wang, a former Beijing University student and a leader of the 1989 pro-democracy protests, and other dissidents rounded up in an ongoing crackdown. "Wang Dan was illegally detained," Lu said, who called on students to gather with candles at 7:00 p.m.(1100 GMT) on the sixth anniversary of the Tiananmen Massacre on June 4 in front of the university library to commemorate "the deaths of our compatriots and pray for Wang Dan's safety."

In past years, student nervousness amid heavy security around the anniversary period have ensured that commemorative activities of the massacre at the prestigious university — the hotbed of the 1989 protests — have been low-key.

Lu also urged students from Saturday to protest against Wang's detention by leaving a sheet of paper reading "Release Wang Dan, rehabilitate June 4" victims on their classroom desks for the next person using that seat to see. This, he said, would "create an atmosphere for saving Wang Dan."

Students should also write letters, with or without their signatures, to Wang and pass them to the dissidents' father in the university's geology department or post them directly to a home address supplied by Lu. "On the one hand we feel honour to have Wang Dan as our classmate, on the other we worry greatly about Wang Dan's health and we truly hate the authorities for treating a dissident who makes a demand in a peaceful manner like this," he added. Wang, 26, has been on hunger strike since being picked up Sunday.

Lu said the authorities' rounding up of at least 15 dissidents in the run up to the June 4 anniversary of the Tiananmen Massacre "has destroyed our hope." He said he had printed 100 copies of his declaration and Saturday placed some inside books in the university library and stuck others on No. 45 and No. 46 students buildings. "I think that by this evening the students will know about it," he said.

Qinghai Buddhists Condemn Dalai Lama's Splittism

*OW2805153295 Beijing XINHUA in English
1522 GMT 28 May 95*

[FBIS Transcribed Text] Xining, May 28 (XINHUA) — Buddhists in Qinghai Province, hometown of the 10th Panchen Lama, strongly condemned Dalai Lama for his declaring of a certain child as the "Reincarnation of Panchen Lama".

Many splashed Dalai's plot of splitting the motherland and undermining the national unity under the pretense of searching for the "reincarnated Panchen Lama".

They reiterated that only the Central Government has the sacred authority on the approval of reincarnations of both Dalai Lama and Panchen Lama.

Qinghai Province, in northwest China, is a region inhabited by 1.1 million Tibetan Buddhism believers of Tibetan, Mongolian and Tu national minorities. The 14th Dalai Lama and the 10th Panchen Lama were born, respectively, in the Ping'an and Xunhua counties, in the province.

People with elementary religious knowledge know that the searching and confirmation of all the previous reincarnations for both Dalai and Panchen followed a rigid religious ritual and the reincarnations became legal and valid only after they were approved by the Central Government, said Song Bo, a living Buddha and vice-chairman of the Qinghai Provincial Committee of the Chinese People's Political Consultative Conference.

The recent declaration of the reincarnation of Panchen Lama by Dalai is another act of splittism since he fled from Tibet in 1959. It aims at denying the supreme authority of the Central Government and disrupting China's unity and stability, he added.

Living Buddha Sai Dor said that Dalai's act to intervene in the searching and confirmation of the reincarnation of Panchen Lama runs counter to the historical convention and religious ritual.

Many others recalled, at a recent discussion attended by local Buddhists, the 10th Panchen Lama made repeated requests during his lifetime that his reincarnation should be confirmed by the method of drawing lots in front of the statue of Sakyamuni [Buddha].

Dabzun Gyaco himself ascended the holy throne for the 14th Dalai Lama in 1940 after the process was approved by the Central Government of that time, said a participant.

However, Dalai Lama made a sudden attack in the final phase of the searching for the reincarnation of Panchen. It went against the will of both 10th Panchen Lama and the broad masses of Buddhism believers, he added.

Abbot of Tibetan Monastery Under House Arrest

HK3005033095 Hong Kong SOUTH CHINA
MORNING POST in English 30 May 95 p 8

[From Jasper Becker in Beijing]

[FBIS Transcribed Text] The acting abbot of a central Tibetan monastery has been placed under house arrest on suspicion of co-operating with the Dalai Lama in the selection of the Panchen Lama's reincarnation. Sources said Cha Tsa Changbazeling was detained in Chengdu after flying from Beijing. He is now said to be held in detention in Lhasa and forbidden to return to the Tashilunpo Monastery in Shigatse, central Tibet.

The monastery is the seat of the Panchen Lama, and Cha Tsa Changbazeling has been acting as his representative. As the deputy abbot, he led the five-year search for the Panchen Lama's reincarnation. Two weeks ago, the Dalai Lama announced in India that the reincarnation was six-year-old Gedhun Chockyi Nyima. Beijing called his actions "a sinister conspiracy to disrupt the search".

Sources said the boy was selected from 25 candidates and was to have been enthroned at the end of this year. The last Panchen Lama died in his monastery in January 1989 and the boy was born four months later. He is the son of poor parents who live in the village of Lhari, about 300 kilometres northwest of Lhasa. His father is said to be a minor official who works in a local veterinary office. The boy was taken to the monastery for training but his whereabouts are now unknown.

Tibetans believe that the Panchen chose to be born inside China in order to avoid creating a rift between the Tibetans and Chinese authorities. Most Tibetans are said to have greeted the Dalai Lama's announcement with joy. But sources said senior lamas had been forced to sign statements criticising their exiled leader. The official media has published numerous statements by ranking lamas attacking him.

Tibetan sources claim that the Dalai Lama acted according to tradition since a reincarnation is always first selected and announced by him. He enters names on slips of paper buried in balls of dough. They are then shaken in a bowl before a statue of the Shakyamuni. The last dough ball left is selected, and then ratified by other tests and by consultation of signs and oracles.

It is not clear if the Communist Party will risk further angering the Tibetan community by rejecting the boy. If this happens, most Tibetans are likely to continue to recognise him.

The party's relations with the Tibetan leaders inside China have also been further strained by the publication of a book which allegedly insults Tibetan Buddhism. Two days ago, the author was forced to apologise at a meeting held at Beijing's Huangsi Temple. It is a college for senior Mongolian and Tibetan lamas. "The Chinese feared there would be demonstrations and ... wanted to avoid any trouble," a source said.

The book, Tibetan History, is by Professor Ji Zhongbin of the Nationalities University. Monks were outraged by his criticism of the Tibetan traditions of Tantric Buddhism, which the author claimed are a corruption of the pure and original tenets of Buddhism.

Civil Service Exams To Be Held in July

OW2805131395 Beijing XINHUA Domestic Service
in Chinese 0700 GMT 17 May 95

[By reporter Liu Siyang (0491 1835 2254)]

[FBIS Translated Text] Beijing, 17 May (XINHUA) — Central party and government organs will openly recruit 495 staff members and government functionaries from society in July. This was revealed by persons in

charge of relevant affairs at the CPC Central Committee Organization Department and the Personnel Ministry during a news briefing today.

It is reported that 56 units will participate in the recruitment drive. They include the Central Discipline Inspection Commission, the CPC Central Committee International Liaison Department, and other organs directly under the CPC Central Committee; organs under the National Committee of the Chinese People's Political Consultative Conference [CPPCC]; the State Council General Office, the State Planning Commission, and other ministries, commissions, bureaus, and offices; organs under the Revolutionary Committee of the Chinese Kuomintang Central Committee, the Chinese Peasants' and Workers' Democratic Party Central Committee, and other democratic parties; the All-China Federation of Trade Unions and other mass organizations; RENMIN RIBAO, XINHUA NEWS AGENCY, and other institutions under the CPC Central Committee and State Council.

Yu Yunyao, CPC Central Committee Organization Department deputy director, and Vice Personnel Minister Zhang Xuezhong told reporters: A recruitment drive of this large scale for central organs has never been launched before. This will also be the first time that staff members for central-level party and mass organizations will be recruited through examinations. They emphasized: The all-around implementation of an examination-based recruitment system for central party and government organs is a major measure for reforming the cadre personnel system, and marks a new stage of examination-based recruitment.

The measure for recruiting staff members for party organs through examinations will be taken in accordance with the opinions relayed with the CPC Central Committee's approval as reference for party organs in implementing the "Interim Regulations Governing Government Functionaries" on a trial basis. The opinions state: Central and provincial party organs should openly recruit staff members below the division level through examinations, or administer competitive, limited-quota examinations to select qualified personnel in accordance with the principle of stressing both political integrity and ability. Party organs below the prefectural level should do the same when recruiting general staff members. There are similar provisions for recruitment by organs under the National People's Congress and the National CPPCC Committee, and by mass organizations related to workers, youth, and women.

It is reported that this year's recruitment is characterized by some new traits when compared to last year's recruitment of civil servants. First, qualifying examinations

will be administered for the secretarial, financial and accounting, legal, and archival professions. This means examinees will only report the professions for which they sit the examinations, but will not identify their units. Those who pass written common-subject tests and general professional tests will qualify for interviews and be available for selection by employer units within a year. Second, regional and status-related restrictions will be lifted further. During last year's recruitment, it was specified that examinees must possess the status of "workers and staff members in the people-owned sector." This year, it is specified that people who are permanent urban residents in Beijing Municipality and meet the specified qualifications may register for examinations. Moreover, the Communications Ministry, Water Resources Ministry, Power Industry Ministry, and State Nationalities Affairs Commission will recruit civil servants from across the country.

It is reported that the registration dates for this year's examinations are 26, 27, and 28 May, and the registration venue is the Agricultural Exhibition Center in Beijing.

'Hundreds' Apply for Civil Service Exams

*OW2605171695 Beijing XINHUA in English
1655 GMT 26 May 95*

[FBIS Transcribed Text] Beijing, May 26 (XINHUA) — Hundreds of people registered for civil service exams here today in the Chinese capital.

The civil service exam is scheduled to be held in July this year, and today was the first day for possible examinees to enter their names.

Earlier reports said that the Chinese Communist Party and central government departments will employ 495 office workers and civil servants and they are to be selected through the exams this July.

According to China's personnel system reform plans, local governments are also preparing to hold examinations to recruit new employees from society at large, and training courses to prepare for the exams are being organized in line with government stipulations.

Commentary on Building Clean, Honest Government

*HK3005071395 Beijing RENMIN RIBAO in Chinese
25 May 95 p 4*

["Short Commentary": "An Important Measure for the Building of Party Work Style and a Clean and Honest Government"]

[FBIS Translated Text] With approval of the Central Committee, the CPC Central Committee and the State

Council General Offices have jointly promulgated the "Regulations on Leading Cadres at and above County (Department) Levels Declaring Their Income" (shortened to "Regulations" in the following,) effective on the date of its promulgation. These are the special regulations requiring leading cadres to declare their personal income formulated for the first time in China. The implementation of these regulations will be helpful to increasing the transparency of personal income of leading cadres of party and government organizations, convenient to organizational and mass supervision, and of great significance to safeguarding the image of leading cadres being clean and honest in public office, establishing closer ties between the government and the people, and promoting the building of party work style and a clean and honest government, while unfolding in depth the anti-corruption struggles.

The causes to account for the spread of the phenomenon of corruption in the cadres contingent are manifold; of which, an important cause is the stagnation in institutional building as well as the relaxation and weakening in internal supervision. Comrade Deng Xiaoping indicated: "Institutions are a decisive factor," "sound institutions may prevent those bad elements from being arbitrary and running wild; otherwise, it would be impossible for good people to have a free hand in doing good things; eventually, they too might become bad elements." This incisive conclusion has profoundly expounded the importance of institutional building. To effectively curb and penalize the phenomenon of corruption among leading cadres characterized by abuse of power, exchanging power for money, seeking illegitimate interest, it is imperative to pay attention to strengthening institutional building, while proceeding from comprehensive improvement. It is imperative to curb the spread of the phenomenon of corruption through building, completing and perfecting a whole-range of institutions to guarantee effective supervision and restriction over leading cadres.

"The Regulations" are an important institution to strengthen supervision and administration of leading cadres. It combines such functions as education, precaution, supervision, restriction, and protection in one, and plays an important role in promoting and augmenting the building of party work style and clean, honest government.

"The Regulations" are behavioral norm. They stipulate the obligation of leading cadres to declare their income, and that leading cadres of party and government organizations at and above county (department) levels and leading cadres of related enterprises and institutional units must declare their income every six months. Those who have failed to do so or submitted a false declara-

tion will be ordered to declare their personal income, or correct the false declaration; at the same time, they will be criticized and educated or be meted out party and government discipline according to the case.

"The Regulations" are a means of supervision and protection of cadres. When leading cadres declare their personal income, it means that they place their personal income under organizational and mass supervision, which will be helpful to investigating and handling corruption of a small handful of leading cadres who have pursued the exchange of power for money; to safeguarding the image of leading cadres in general, and who as public servants are being strict with themselves, clean and honest in their public office, observing the law and discipline, working hard at their job for the people; and to elevating the prestige of leading cadres, establishing closer ties between the government and the people.

"The Regulations" are also a way of educating and a preventive measure against corruption. Through declaration of their income at regular intervals, leading cadres may accept constant education in being clean and honest in public office, and augment their concept and ability in self-restriction, while preventing the occurrence of the behavior in exchanging power for money.

The goal of establishing an institution lies in its implementation. Leading cadres at all levels must consciously, and earnestly exercise the institution of declaring personal income, and guarantee its smooth implementation. Party committees and governments at all levels must augment leadership in work concerning declaring personal income, and grasp it as an important matter, while making earnest study and arrangements to implement it in a down-to-earth way. Organizational and personnel departments of all units must earnestly perform their duties, actively do a good job, accept declaration of personal income, while promptly studying and resolving problems that surface at work. Discipline inspection and supervision organizations must strengthen supervision and examination of conditions in declaring personal income, while guaranteeing the smooth progress in work concerning declaration.

Correction to Report on Deng Study Program OW2505165795

The following correction pertains to the item headlined "Study Program Published" published in the 25 May China DAILY REPORT, page 28:

Column two, first full paragraph, last sentence make read: ...distributed nationwide today. [Beijing XINHUA Domestic Service in Chinese at 2109 GMT on 24

May carries a similar report, subsequently corrected by XINHUA at 1334 GMT on 25 May. This version reads: The program for the study of Deng Xiaoping's theory of building socialism with Chinese characteristics was published and distributed by the Study Publishing House today. It will be sold by Xinhua Bookstores nationwide.] (rewording)

Science & Technology

Jiang, Li Address Science Conference 26 May

OW2905140795 Beijing XINHUA Domestic Service
in Chinese 1717 GMT 26 May 95

[FBIS Translated Text] Beijing, 26 May (XINHUA) — On 26 May, the National Conference on Science and Technology opened ceremoniously in the Great Hall of the People. Jiang Zemin, CPC Central Committee general secretary and PRC president, delivered an important speech at the conference. He said that the party Central Committee and the State Council are calling on the whole party and the people across the country to implement in an all-around way Comrade Deng Xiaoping's thinking on science and technology being the primary productive forces, take part in the great undertaking of implementing the strategy of rejuvenating the country through the application of science and technology and promotion of education, accelerate scientific and technological progress in the society, and work hard to successfully attain the second-step and third-step strategic objectives of China's modernization drive. Premier Li Peng pointed out in his important speech the necessity of establishing firmly the notion of rejuvenating the country through the application of science and technology and the promotion of education among all party members and the people across the country, improve the whole nation in terms of scientific and general knowledge, make great efforts to strengthen scientific and technological work, promote scientific and technological progress, and switch economic construction onto the track of relying on scientific and technological progress and improving the quality of workers.

This is a conference of great significance held by the CPC Central Committee and the State Council under the new situation of reform, opening up, and socialist modernization. It is an important event in the history of China's scientific and technological development, following the party Central Committee's issuance of the great call for "marching toward science" and its formulation of the country's first long-term science and technology development program in 1956 and the National Science Conference held by the party Central Committee in 1978. It will yield an important impact on promoting the country's development of science and technology, and economic and social development.

Present at today's gathering were leading comrades of the CPC Central Committee, the National People's Congress, the State Council, the Chinese People's Political Consultative Conference National Committee, the Central Military Commission, various democratic parties, and the All-China Federation of Industry and Commerce; responsible comrades of party, government, Army and mass organizations, and various provinces, autonomous regions and municipalities; and some scientists and representatives from the scientific and technological circles.

A warm applause broke out in the conference hall when Jiang Zemin, Li Peng, Qiao Shi, Li Ruihuan, Zhu Rongji, Liu Huaqing, Hu Jintao, Rong Yiren, and other leading comrades of the party and state appeared on the rostrum.

At 9 AM, Li Peng, Standing Committee member of the CPC Central Committee Political Bureau and State Council premier, announced the opening of the conference, and a military band played the national anthem.

Comrade Jiang Zemin spoke amid a warm applause. He extended his highest respects to China's scientists and technicians on behalf of the party Central Committee and the State Council.

Jiang Zemin said: After making a scientific analysis of the trends of economic development and scientific and technological development and the domestic and international situation, the party Central Committee and the State Council have recently pooled the wisdom of all localities and departments and many comrades from both inside and outside the party, and made a decision on accelerating scientific and technological progress. This is another strategic policy decision for ensuring the realization of China's modernization objectives in three steps. The main purpose of the current conference is to mobilize the whole party and people of all nationalities to implement in an all-around way Comrade Deng Xiaoping's idea that science and technology is the primary productive force, seriously implement the guidelines of the "decision," begin a new upsurge of implementing the strategy of rejuvenating the country through the application of science and technology and the promotion of education, further liberate and promote the productive forces of science and technology, and actively help shift the economic construction onto the track of relying on scientific and technological progress and improving the quality of workers.

Jiang Zemin then discussed four important questions. On implementing in an all-around way the idea that science and technology is the primary productive force, Jiang Zemin said: Comrade Deng Xiaoping's theory on

building socialism with Chinese characteristics emphasizes the fundamental task of socialism is to emancipate and develop society's productive forces. It was with such an emphasis and with his scientific knowledge on the law of the development of productive forces and on the characteristics of the times that Comrade Deng Xiaoping put forward the wise thesis that science and technology is the primary productive force. It is the quintessence of Comrade Deng Xiaoping's thinking on science and technology, an important component part of the theory on building socialism with Chinese characteristics, and a creative development of Marxist science and technology doctrine and productive force theory.

Jiang Zemin said: The superiority of the socialist system is finally embodied in the fact that the development of the productive forces under this system is faster than those under any other system. The superiority of the socialist system should be, and entirely can be, reflected in being able to speed up the development of science and technology as productive forces.

He pointed out: At present, judging from the international environment or the domestic conditions, thoroughly implementing the principle that science and technology are the primary productive force constitutes a very arduous and urgent strategic task in the socialist modernization drive in China. In deciding to implement the strategy of invigorating the country through the application of science and technology and the development of education, the party Central Committee and the State Council have made a major move in light of China's reality to sum up historical experiences. Socialist modernization is not possible without a strong scientific and technological force. Invigorating the country through the application of science and technology and the development of education means thoroughly implementing the principle that science and technology is the primary productive force; persisting in making education the foundation; giving priority to the important status of science, technology, and education in economic and social development; enhancing the state's scientific and technological strength and its capacity to transform scientific and technological advances into productive forces; elevating the nation's scientific, technological, and educational levels; bringing economic construction in line with relying on scientific and technological advances; upgrading the quality of the work force; and speeding up the process of making the country prosperous and strong. This is the correct choice of smoothly fulfilling the three-stage strategic objectives. Implementation of the strategy of invigorating the country through the application of science and technology and the development of education will certainly greatly elevate the quality and level of productive forces, bringing about a

new emancipation and greater development of the social productive forces.

Discussing the few tasks that must be grasped to speed up scientific and technological advances, Jiang Zemin said: Basing ourselves on our national conditions, we should draw on the successful experiences of foreign countries and explore a path — with Chinese characteristics — to promote scientific and technological advances. In summing up our practical experiences in achieving scientific and technological advances since the introduction of reform and opening up to the outside world in accordance with the trend of economic, scientific, and technological development of the contemporary world and China's modernization needs, it is necessary to have a clear understanding of a few major issues concerning scientific and technological work as a whole.

First, the integration of science and technology with economic work. The party Central Committee and the State Council have further clearly defined the basic principle of scientific and technological work in China: Adhering to the concept that science and technology is the primary productive force, economic construction must rely on science and technology, scientific and technological work must be geared to economic construction, and efforts to scale the peaks of science and technology should be made. The nucleus of these tasks is the close integration of science and technology with economic work. Economic construction must steadfastly rely on scientific and technological advances. Only then can there be sustained and vigorous economic development, and only then can economic construction provide a solid material basis for the development of science and technology. The establishment of a socialist market economic structure has provided a fine mechanism and a broad prospect for economic construction to rely on scientific and technological advances. Under these circumstances, scientific and technological work must be geared more consciously to economic construction, making the promotion of economic development its central task and first objective. It is necessary to correctly handle the relationship between serving economic construction and elevating the scientific and technological level. Serving economic construction is the orientation and is required to elevate the scientific and technological level and to scale the peaks of science and technology. The integration of science and technology with economic work is embodied in all aspects of scientific, technological, and economic activities. It is necessary to strengthen the integration of science and technology with economic work by defining objectives and tasks, formulating programs and plans, implementing policies, and by other means. This means it is necessary to make overall plans

and take all factors into consideration and stress the key areas. Economic development should make scientific and technological advances the major motive force, while scientific and technological development should center around the objective of economic development and provide a strong backing and guarantee for economic development. It is necessary to deepen reform of the economic structure and the scientific and technological structure and to give full play the important role of the market mechanism in promoting the integration of science and technology with economic work under the macroeconomic regulation and control of the state.

Second, the integration of short-term objectives and long-term objectives. Science and technology, as the factor for promoting economic and social development, should first make contributions to resolving hot, difficult, and key issues in economic and social development. At the same time, to maintain sustained economic and social development, science and technology should move ahead of economic and social development. We should develop science and technology through scientific and technological research to provide a motive force and store up the strength for future development. Scientific and technological work should always make economic construction its main theater of operations, and its main mission should be to resolve the key issues that need to be urgently resolved in the development of the national economy. At present, we should adopt effective measures to strengthen scientific and technological work related to agriculture. We should speed up the technical transformation of our traditional industries, raise the technological level of products and their competitiveness on the markets, raise the quality and efficiency of industrial growth, and promote the optimization and upgrading of the industrial setup. We should attach special importance to arming basic industries and pillar industries with modern technology and to speeding up the application of information and automation in economic and social management. Basic research and research in high science and technology are the sources of the motive force for promoting China's modernization in the 21st century. We should plan our future with foresight. We should strengthen basic research and the research and development of high technology while focusing on major issues that affect China's economic and social development in the next century. The main task of basic research should be to provide a scientific and technological motive force and scientific and technological reserves for future economic development.

Third, the integration of independent research and development with the introduction of advanced technologies from foreign countries. Opening up China wider to the outside world, strengthening international scientific

and technological exchanges and cooperation, actively bringing in advanced technologies from abroad, and widely adopting the advanced technologies of foreign countries for use in China are an effective way of speeding up China's technological upgrading and economic development. This basic policy must be adhered to for a long time to come. In the contemporary world, scientific and technological advances change with each passing day, and technological replacements are being accelerated. What is called an advanced technology today may soon become a backward one. Innovation is the soul of progress of a nation and the inexhaustible motive force for a nation's prosperity and development. If we fail to strengthen our ability for innovations and if we only rely on bringing in technologies from abroad, we will forever remain backward technologically. As an independent socialist country, China must determine its own destiny in science and technology. China has already possessed some scientific and technological strength and foundation and an independent ability for innovations. While learning from and bringing in advanced foreign technologies, we must unrelentingly set our eyes on enhancing the country's ability for research and development on its own.

Fourth, the integration of macroeconomic management with the market mechanism. Under the socialist market economic structure, both market mechanisms and macroeconomic management are indispensable means of achieving scientific and technological advances. The principle of "holding fast to one end and leaving the whole field open" for reform of the scientific and technological structure, proposed by the party Central Committee, embodies the inherent law for the integration of these two means. Technological development, the spreading of technological achievements, and other relevant activities that are closely related to economic construction should rely mainly on market mechanisms. In accordance with the requirements of the principle of "holding fast to one end and leaving the whole field open," we should properly and steadily readjust the structure of our scientific and technological contingents and do a good job in distributing them.

Fifth, the integration of natural sciences with social sciences. Of course, science includes social sciences. We encourage workers of social sciences to study natural sciences and workers of natural sciences to study social sciences. We also propose that they study Marxist theories, especially Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics. In the great cause of realizing socialist modernization in China, we should closely integrate natural sciences with social sciences, have a profound understanding of and master the inherent law of economic and social

development under the present stage, and guide our work with scientific theories and methods.

Jiang Zemin went on and emphasized the need to train a large number of scientific and technological personnel who have both moral integrity and ability. He said: Qualified personnel are the key to implementing the strategy of rejuvenating the country through the application of science and technology and the promotion of education. It is of great significance for China's socialist modernization construction drive to greatly increase the proportion of technical personnel in the country's labor force and improve the general quality of that force. It is a very urgent strategic task to accelerate the training of outstanding scientific and technological personnel. We should give full play to the important role of our scientific and technological personnel and create a social environment in which people can fully use their abilities. We should constantly improve the working and living conditions for scientific and technological personnel and fully arouse their enthusiasm and creativity. It is necessary to implement the "Program for Educational Reform and Development of China," vigorously develop education undertakings, deepen reforms in the educational system, nurture millions of young scientific and technological personnel, and build up a large contingent of trans-century scientists and technicians, in accordance with the trend of scientific and technological development and the demands of China's modernization construction. Scientific research institutions must regard personnel training as a task of same importance as the work of research and development. It is necessary to vigorously create conditions and extend a warm welcome for Chinese scientists and technicians residing overseas to return to their motherland to work, or to offer service of various forms to the country's modernization construction. Efforts should not only focus on the training of various types of scientific and technological personnel, but also on fostering various kinds of experts in modern management. Attention should also be paid to selecting and training scientists, technicians, and professionals from among ordinary workers, peasants, and other working people.

He said: In training scientific and technological personnel, attention should be paid to making them have both moral integrity and ability. It is necessary to uphold the party's basic line. Great efforts should be made to promote the spirit of patriotism, blazing news trails, selfless dedication, and unity and cooperation. These four kinds of spirit are the crystallization of the lofty spirit of China's scientists and technicians of the last several generations, and they are an important guarantee for our scientific and technological undertakings to thrive. They should be carried forward and treated as an im-

portant part of the spiritual civilization of the scientific and technological circles. While paying more attention to building up the scientific and technological force, we must attach great importance to raising the level of science, technology, and culture of the nation as a whole.

On strengthening the party leadership over science and technology work, Jiang Zemin pointed out: The party leadership is the political guarantee for implementing the strategy of rejuvenating the country through the application of science and technology and the promotion of education. The key to promoting scientific and technological progress lies in the party committees and governments at various levels. The party committees and governments at all levels should seriously implement the "Decision of the Party Central Committee and the State Council on Accelerating Scientific and Technological Progress," take scientific and technological progress as a major task in light of the realities of various localities and departments, put it as an important item on the daily agenda, and draw up feasible measures. The Central Committee requires the top leaders of the party committees and administrations at all levels to personally take a hand in matters relating to the primary productive force, attach importance to scientific and technological progress in promoting economic and social development, and increase investment in the development of science, technology, and education through various channels. During the course of formulating and carrying out the national economic and social development plan and relevant policies, it is necessary to surely implement the strategy of rejuvenating China through the application of science and technology and the promotion of education.

The afternoon meeting was chaired by Zhu Rongji, Standing Committee member of the CPC Central Committee Political Bureau and State Council vice premier. Li Peng delivered an important speech entitled: "Accelerating Scientific and Technological Progress To Achieve Prosperity in China." He discussed four questions in his speech. On the situation and tasks of the scientific and technological work, Li Peng said: China's scientific and technological undertakings started from a very weak foundation in Old China. With the leadership and attention of revolutionaries of the older generation and with the tremendous efforts of scientific and technological personnel over the past 40-some years, China has developed a fairly complete scientific and technological system, cultivated a contingent of outstanding scientists and technicians, and come up with fruitful research results. China has also tackled a series of major problems in economic construction, national defense, and social development, energetically pushed forward socialist construction, and laid a solid foundation for fur-

ther development of science and technology. Especially since the start of reform and opening up, China's scientific and technological work has entered a new period of development under the guidance of Comrade Deng Xiaoping's idea that "science and technology constitute a primary productive force" and in accordance with the principle that economic construction must rely on science and technology, and that scientific and technological work must meet the needs of economic construction. We have vigorously and steadily reformed the scientific and technological system to cater to the need for the establishment of a socialist market economic structure, promote the integration of science and technology with economic growth, and speed up the transformation of research results into productive forces. Remarkable success has been made in developing the technology market, improving the system of fund allocation for science and technology, and establishing the system of science funds. Most of China's scientific and technological personnel have entered the main battlefield of economic construction. The unitary and closed scientific and technological system of the past has been broken up, greatly improving the situation of disconnection between science-technology and economic development. Promoted by reforms, a series of plans and key projects for scientific and technological development have been implemented, a number of state laboratories and research centers set up, and a number of major research findings obtained, in accordance with arrangements for developing and spreading the use of technology, developing high technology and high-tech industries, and strengthening basic research. Practice has fully proven that the reform of the scientific and technological system and scientific and technological progress have made important contributions to promoting China's economic and social development, enhancing its overall strength, and improving the people's standards of living.

He said: Science and technology are prerequisites for promoting the development of productive forces, and are important indicators of mankind's civilization. China's national economy has established a broad foundation as a result of the rapid economic growth in recent years. To achieve the second strategic goal and gradually achieve the third strategic goal on this basis, we must firmly count on scientific and technological restructuring. The "Decision on Accelerating Scientific and Technological Progress," which the CPC Central Committee and the State Council recently promulgated, provides important strategic measures for carrying out Comrade Deng Xiaoping's guiding thinking that "science and technology are the primary productive forces," and it is a programmatic document for expediting China's scientific and technological development. One major point stated in the "decision," that revitalizing the country through sci-

entific education, has very great significance for achieving China's modernization and the Chinese nation's revitalization.

On accelerating the transformation of scientific and technological achievements so as to improve the quality of economic growth, Li Peng said: Improving the quality of economic growth is an issue that needs to be resolved urgently in China's current economic development. From now on we must place the work of transforming scientific and technological achievements into productive forces as a priority of scientific, technological, and economic development, and do everything possible so that scientific and technological achievements can be extensively applied to economic development. Li Peng stressed: We must make great efforts to promote advanced useful agricultural technology, actively apply those technologies crucial for industrial production and construction, accelerate the development of high- and new-technology industries, and bring about a coordinated economic and social development through scientific and technological progress.

Li Peng stressed: While accelerating the transformation of scientific and technological achievements, we must intensify basic research and attach importance to resolving the basic theoretical and technological problems having a close bearing on socioeconomic development. The state will continue to carry out the "863" and other high-technology research and development plans. In accordance with the needs of industrial and agricultural production as well as national defense, the state will pool its manpower, material, and financial resources in building a large number of major scientific and technological projects that already have a good foundation, and which are quite strong and have major impacts on the national economic and social development. Every effort will be made so that certain most important basic research projects can keep pace with the advanced world level in the high-technology sphere.

He said: Proficient personnel are essential for the revitalization of science and technology. Our scientists and technicians must be able to give full scope to their talents to accelerate the transformation of scientific and technological achievements and succeed in basic research. Meanwhile, we must be aware of the needs in the 21st century and train and cultivate a large number of young scientists, engineers, technicians, and economic administrators. To heighten the nation's scientific and academic proficiency, we must make great efforts to popularize science and technology, eradicate superstitious and ignorant beliefs, and promote the good habits of "loving, studying, and applying science and technology" throughout the country. This is an

important part of promoting spiritual construction and an objective requirement for economic development.

Speaking on deepening scientific and technological restructuring, Li Peng said: The restructuring has been effective. The next restructuring goal is to establish a new system helpful to scientific and technological progress — a system that is compatible with the socialist market economy. This system must be conducive in merging science and technology with the economy, development with engineering designs and production, science and technology institutions with enterprises, military and civilian science and technology, and scientific and technological development with the training of proficient personnel. To achieve this goal, we must uphold the policy of "stabilizing one end and opening up a big area." "Stabilizing one end" means maintaining a group of elite scientists engaged in basic research, research of projects relevant to the nation's long-term interests, in high-technology research, and in brainstorming major scientific and technological problems. "Opening up a big area" means that, guided by state policy, we should let the market give play to its mechanisms so that large numbers of institutions engaged in technological development and providing technological services can gradually develop on their own by adjusting their operations to market needs and through transforming scientific and technological achievements.

He said: Scientific and technological restructuring is a major reform. The state will gradually reduce the number of state-financed scientific research institutions and divert these institutions' personnel, but will maintain a contingent of high-level researchers and, on this basis, build a number of open, state-class research bases. In accordance with their special attributes, the majority of research institutions should merge themselves with businesses in ways they consider to be proper, such as working for large and medium-sized enterprises, or turning themselves into financially and developmentally independent businesses providing scientific and technological services. We should, through the restructuring, establish a system of scientific and technological research, and development and application — a system under which enterprises will play the central role, and while carrying out various scientific and technological projects, improve the socialized services so as to ensure a smooth scientific and technological development and contribute to economic construction.

Li Peng said: Establishing sound mechanisms conducive to scientific and technological progress is a requirement for deepening the scientific and technological restructuring and is an essential condition for scientific and technological progress. Our rural areas should give full scope to the roles played by the grass-roots organi-

zations engaged in promoting agricultural techniques; firmly integrate agricultural production, scientific research, and education; promote the cooperation between full-time organizations in promoting agricultural techniques and rural areas' production and marketing cooperatives; and actively develop socialized rural networks that integrate technology, industry, and trade. To promote the rural areas' economic development, we should encourage science research departments and schools of higher education to establish steady cooperative relations with the rural areas' technological and economic organizations through purchasing stocks with their technology, and encourage researchers to hold concurrent offices in these organizations and contract technical projects to undertake. While the socialist market economy develops, enterprises should gradually become the mainstays of technological development. We should continue to carry out the policy of opening up to the outside world, study foreign countries' advanced technology and experiences, and follow through with the effective policy of "bringing in, assimilating, developing, and innovating" foreign technology. The state will use its economic levers to guide and encourage enterprises to increase investments in technological development. To encourage enterprises to make advances in science and technology, the state will also improve its policy governing industrial technology and intensify its supervision over technology. Science and technology institutions and enterprises must strive to achieve a breakthrough in their restructuring.

On strengthening leadership and creating better conditions for scientific and technological progress, Li Peng said: Party committees and governments at all levels must earnestly strengthen their leadership over science and technology-related affairs; place the work of promoting scientific and technological progress high on their agendas and promptly resolve relevant problems; and firmly increase investments in scientific and technological development. He said: Establishing investment-inducing mechanisms compatible with the socialist market economic system and increasing investments in science and technology in various sectors through various channels are important ways to guarantee scientific and technological development. We should explore various ways to increase investments so that, by the year 2000, the nation's budget for scientific research and development will account for 1.5 percent of the GDP. While increasing our investments in science and technology, we should improve the investment structure and attach importance to the roles played by foundations so that the money can be used more efficiently. We should continue to improve the working and living conditions of scientists and technicians. We should attach importance to establishing a legal system under which intellectual

property rights can be protected. We should also continue to expand international cooperation and exchanges in science and technology.

Li Peng concluded: Carrying out the strategy of revitalizing the country through scientific education, accelerating scientific and technological progress, and building a strong and affluent country are a formidable but glorious mission of the whole party and the whole nation during the new historical period. Under the guidance of Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics and that of the party's basic line, let us rally closely around the party Central Committee with Comrade Jiang Zemin as the core, work hard, rely on our own efforts, make constant efforts to bring forth new ideas, strive to promote China's scientific and technological reform and development, and contribute even more significantly to our socialist modernization drive!

Other leading comrades present at today's meeting were Ding Guangeng, Li Lanqing, Wu Bangguo, Jiang Chunyun, Qian Qichen, Wei Jianxing, Wen Jiabao, Zhang Zhen, Ren Jianxin, Ni Zhifu, Fei Xiaotong, Sun Qimeng, Lei Jieqiong, Cheng Siyuan, Lu Jiaxi, Buhe, Chi Haotian, Song Jian, Chen Junsheng, Ismail Amat, Peng Peiyun, Luo Gan, Zhang Siqing, Yang Rudai, Wang Zhaoguo, Ngapoi Ngawang Jigmei, Seydin Aze, Hong Xuezhi, Qian Weichang, Qian Zhengying, Zhu Guangya, and Wan Guoquan.

Further on Leaders Speeches

OW2705015295 Beijing XINHUA in English
1529 GMT 26 May 95

[FBIS Transcribed Text] Beijing, May 26 (XINHUA) — Jiang Zemin, Chinese president and general secretary of the Central Committee of the Communist Party of China (CPC), called on the nation here today to speed up scientific and technological progress and work hard in the struggle for the country's modernization goals.

Speaking at the opening ceremony of the National Conference on Science and Technology, Jiang urged all the party members and Chinese people to fully implement the idea of Deng Xiaoping that science and technology is the primary productive force, and plunge into the great cause of invigorating China through science and technology.

The conference, called by the CPC Central Committee and the State Council, is expected to have important significance in promoting the country's development of science and technology, and economic and social development.

Among those participating in the five-day meeting to discuss strategies on accelerating scientific and techno-

logical development to make the country rich and strong are about 300 leading cadres and officials from both the central and local party and government departments and the People's Liberation Army, representatives of academicians of the Chinese Academy of Sciences, and managers of some industrial companies and hi-tech enterprises.

Other party and government leaders attending the opening ceremony are Li Peng, Qiao Shi, Li Ruihuan, Zhu Rongji, Liu Huaqing, Hu Jintao and Rong Yiren. About 6,000 people from all walks of life were present at the ceremony held at the Great Hall of the People, presided over by Premier Li Peng.

President Jiang told the conference that, based on the scientific analysis of economic and scientific and technological changes, the CPC Central Committee and the State Council recently made a decision on accelerating scientific and technological progress, which is another major strategy for ensuring the realization of China's modernization goals in three phases.

Jiang said the major task of the conference is to mobilize the whole Party and people of all nationalities to fully implement Deng Xiaoping's idea that science and technology is the primary productive force, start a new upsurge of implementing the strategy of invigorating the country through science and technology and further liberate and promote the productive forces of science and technology, and actively help shift the economic construction onto the track of relying on scientific and technological progress and improving the quality of workers.

Deng Xiaoping's theory on building socialism with Chinese characteristics emphasizes the fundamental task of socialism being to emancipate society's productive forces.

"In light of both the international and domestic situation, implementing Deng's theory is a pressing and arduous task in China's socialist modernization drive," said Jiang.

He pointed out that the Party Central Committee and the State Council's decision on invigorating China through science and education is an important plan based on historic experience in accordance with China's realities.

"Without solid backing from science and technology, there is no socialist modernization," stressed Jiang.

Invigorating China through science and education means to comprehensively implement the thesis of science and technology being the primary productive force, to take education as the foundation, to put education, science and technology on the important position

of economic and social development, and to enhance China's strength in science and technology as well as the capability of transforming them into real productive forces. We should improve the nation's scientific and cultural quality, promote economic growth through the advancement of science and technology and the improvement of labourers, and achieve prosperity in the country at an early date.

"The implementation of the strategy of invigorating the nation through science and technology will certainly greatly improve the quality and level of productive forces and further emancipate and develop social productive forces," Jiang said.

To follow the trend of global economic, scientific, and technological development and meet the requirements for China's modernization, as well as to sum up the experiences of scientific and technological progress since the reforms and opening-up started, some important issues concerning the science and technology development need to be further clarified, said Jiang.

One. Integration of science and technology with the economy. The Party Central Committee and the State Council have further clarified the basic principle of China's science and technology work: adhere to the idea of science and technology being the primary productive force; economic construction must rely on science and technology; scientific and technological work must serve economic construction; and great efforts must be made to scale the heights of science and technology. The core of the principle is the close combination of science and technology with economic development.

Economic development should take scientific and technological progress as the propelling force while scientific and technological development should center on economic development and provide strong support and act as a guarantee for economic development, Jiang said.

Jiang added that the economic system and the scientific and technological system must be further reformed so as to give full play to the important market mechanism to promote the combination of science and technology with the economy, under state macro-economic control.

Two. Combination of short-term and long-term goals. As the key factors promoting economic and social development, science and technology must first of all contribute to solving major problems, important issues in economic and social development. Meanwhile, a sustained economic and social development requires that science and technology should advance ahead of economic and social development so as to provide both a motive and a reserve force for future development.

Scientific and technological work should always primarily serve economic construction, giving top priority to key problems in economic development that demand urgent solution. Currently, he said, it is necessary to take effective measures to enhance scientific and technological work concerning agricultural production.

He said that it is necessary to accelerate the technological upgrading of traditional industries, increase the technological content and market competitiveness of various products, improve the quality and efficiency of industrial growth, and promote the optimization and upgrading of the industrial structure.

He also stressed the need to pay particular attention to using modern technology to upgrade basic and pillar industries and spread and automate the use of information in economic and social management.

"Basic research and high-tech research will be the driving force for achieving China's modernization in the 21st century," he said.

The leader emphasized the importance of stepping up the two kinds of research to solve major problems that will adversely affect China's economic and social development in the next century.

The primary task for basic research is to provide a scientific and technological driving force and build up finding reserves for future economic development, he noted.

Three. On the Integration of Independent Research and Development with the Introduction of Advanced Foreign Technology.

The leader said that opening wider to the outside world, promoting international technological exchanges and co-operation, and importing advanced foreign technology are effective measures to speed up China's technological upgrading and economic growth.

"We must persist in this basic policy for a long period," he said.

Four. On the Combination of the Market Mechanism with Macro-Management.

Within a socialist market economic structure, the market mechanism and macro-management are both indispensable means for promoting scientific and technological progress, he said.

Jiang said that technological development and the application of research findings that are closely related to the country's economic construction should take the market mechanism as the mainstay.

Five. On the Combination of Natural Sciences with Social Sciences.

The leader encouraged people engaged in social sciences to earnestly study natural sciences, and people engaged in natural sciences to study social sciences and Marxist theories, particularly Deng Xiaoping's theory of building socialism with Chinese characteristics.

The leader also stressed the importance of better combining natural sciences with social sciences, understanding and mastering the law governing economic and social development today, and using scientific theories and methods to guide practice.

It is of great significance for China's socialist modernization construction drive to greatly increase the proportion of technical personnel in the country's labor force and improve the general quality of that force, Jiang said.

He stressed that it is necessary to implement the program for educational reform and development, to expand education undertakings, to deepen reforms in the educational system, to nurture millions of young technical talents and build up a large contingent of trans-century scientific and technological personnel, in accordance with the trend of scientific and technological development and the demands of China's modernization construction.

Scientific and technological institutions must place personnel training in the same position of importance as the work of research and development, he added.

It is necessary to vigorously create conditions for Chinese scientists residing overseas to return to their motherland to work and serve the country's modernization construction, Jiang said.

Efforts should not only focus on the training of various types of technical talents, but also on fostering various kinds of experts in modern management, he said.

Jiang said that attention should also be paid to selecting and training scientific personnel and professionals from among ordinary workers, farmers and other laborers.

With the efforts of all walks of life, Jiang said, a vast contingent of scientific and technological personnel should be built up for the Chinese nation to advance toward a new revolution in science and technology and toward socialist modernization.

The Party leadership serves as a political guarantee for implementing the strategy of invigorating China through science and education, Jiang explained.

Jiang called on Party committees and governments at all levels to earnestly implement the Decision on Accelerating Scientific and Technological Progress by

the Party Central Committee and the State Council, take scientific and technological progress as a major task, put it on the agenda and draw up feasible measures.

Jiang said that the Party Central Committee requires the top leaders of the party committees and administrations at all levels to handle matters relating to the primary productive force, to give priority to scientific and technological progress in promoting economic and social development, to expand the investment in the development of science, technology and education through various ways and to unswervingly implement the strategy of invigorating China through science and education in formulating and carrying out the relevant programs and policies for the national economic and social development.

At this afternoon's meeting, Premier Li Peng delivered a report, titled "Accelerating Scientific and Technological Progress to Achieve Prosperity in China." The afternoon meeting was presided over by Vice-Premier Zhu Rongji, who is also a Standing Committee member of the Political Bureau of the Chinese Communist Party Central Committee.

In his report, Premier Li said that China's scientific and technological development started from a very weak foundation in old China.

He said that, with the leadership of an older generation of revolutionaries and with the tremendous efforts of scientists and researchers over the past 40-some years, China has developed a fairly complete scientific and technological system, trained outstanding scientists and technologists, and come up with fruitful research results.

He went on to say that China has also tackled a series of major problems in economic construction, national defence, and social development, energetically pushing forward socialist construction and laying a solid foundation for further development of science and technology.

Especially since the policy of reforms and opening up was begun, he said, China's scientific and technological work has entered a new period of development under the guidance of Deng Xiaoping's thesis that "Science and technology constitute a primary productive force" and in accordance with the principle that economic construction must rely on science and technology, and that scientific and technological work must meet the needs of economic construction.

"We have vigorously and steadily reformed the scientific and technological system," in order to cater to the need for the establishment of a socialist market economic structure, promote the integration of science and

technology with economic growth, and speed up shifting research findings over to productive forces, he explained.

Great progress has been made in expanding the market for technology, improving the system of fund allocation for scientific research, and establishing science funds, he said.

Most of China's research is now devoted to China's economic construction, he said, adding that the unitary and closed scientific and technological system has been broken up, and science and technology are now more closely allied with economic development.

Promoted by reforms, a series of plans and key projects for scientific and technological development have been implemented, a number of state laboratories and research centers set up, and a number of major research findings obtained, in accordance with arrangements for developing and spreading the use of technology, developing high technology and high-tech industries, and strengthening basic research.

Premier Li said, "Practice has proven conclusively that the reform of the scientific and technological system and scientific and technological progress have made great contributions to promoting China's economic and social development, increasing its comprehensive strength, and improving people's standards of living."

"China's economic growth at present and in the future will rely more heavily on scientific and technological progress than ever before," Li said.

China's economy now has a fairly strong foundation following years of rapid growth, he said.

To attain China's strategic goal in the second phase on this basis and its goal in the third phase, it is imperative that we rely strongly on economic restructuring and on scientific and technological progress, he noted. The premier said that an urgent task for China is to improve the quality of economic growth in the current development.

Li outlined several major tasks, such as actively selecting key technological research projects for industrial production and construction, accelerating the development of hi-tech industry, and promoting coordinated economic and social development through scientific and technological progress.

"While quickening the pace of application of scientific and technological achievements, China must improve basic research and pay attention to solving the issues of basic theories and technology which are closely related to social and economic development," Li stressed.

Based on the needs of industry, agriculture, and national defence, China is expected to concentrate its human, material, and financial resources on some selected scientific research projects which will have a great impact on national economic and social development, and strive to reach the highest level of advancement in the world in some important basic research and hi-tech fields, he added.

Li said that talented people are the key to the revitalization of science and technology, and we must give fuller play to the wisdom of our scientists and researchers to promote the application of scientific achievements and do a good job in basic research.

Efforts must be made at the same time to train a larger number of young scientists, engineers, technicians, and economic management personnel for the coming century.

Speaking of intensifying reforms in the scientific and technological system, Li Peng said that China has made great achievements in reforms in the scientific and technological system.

The target that has been set for future reforms is building a new scientific and technological system helpful to the country's scientific and technological progress in order to meet the demands of developing a socialist market economy, he said.

Such a system will help integrate science and technology with the economy, research and development with design and construction of projects, scientific institutions with enterprises, the military use with the civilian use, and development of science with the training of talented people, Li explained.

Restructuring the management system of science and technology is also a major step in China's reforms, Li said, adding that China will cut the number of research institutions financed by the government and in the course of doing this keep a reduced contingent of high-level scientists, and to build up a group of open national scientific research bases.

Li said that it is necessary to form a development and applications system centered on enterprises in scientific research and development and perfect the social service system in order to provide a guarantee for a smooth development of science and technology and contribute to the nation's economic construction.

Premier Li Peng also urged the Party and government to strengthen leadership in scientific and technological work in order to create better conditions for scientific progress.

He said that Party committees and governments at all levels must take concrete steps to enhance such a leadership.

"The work of developing science and technology should be put high on the agenda (of Party committees and government) and problems should be solved immediately," Li said.

"We must essentially put more into research," Li said, saying that building a mechanism suitable to the socialist market economy and increasing funds through various channels is "an important guarantee for the development of science and technology."

He called for further improvement in the work and the living conditions of scientists, adding that government at all levels must do more in this respect.

He also emphasized the need to improve the legal system in relation to science and technology, to protect intellectual property rights, which, he said, is to guarantee the fundamental interests of the country in its drive to develop science and technology.

The premier also stressed the importance to further expand international cooperation and exchanges in science and technology.

Zhu Rongji Addresses S&T Conference

OW3005090495 Beijing China Radio International in Mandarin to Asia 0900 GMT 27 May 95

[From the "News" program]

[FBIS Translated Text] On 27 May, Chinese Vice Premier Zhu Rongji gave a report on the economic situation to delegates attending the national conference on science and technology. He briefed the delegates on the latest developments in China's agriculture, industry, foreign trade, finance, and other areas. He said: China's economy is essentially good. However, the pace of economic development is still too fast, and we cannot afford to be sanguine about commodity prices. He pointed out: Agriculture is the main emphasis of our current work. We must ensure grain output, stabilize commodity prices, and create a fine environment for enterprise reform.

CAS President on Golden Age for Development

OW2805102595 Beijing XINHUA in English 0959 GMT 28 May 95

[FBIS Transcribed Text] Beijing, May 28 (XINHUA) — "Chinese scientists are facing both a serious challenge and rare historical opportunity of development when the mankind is entering the 21st century."

President Zhou Guangzhao of the Chinese Academy of Sciences (CAS) made the remark in an interview with XINHUA last week.

Zhou attributed the industrial and electronic revolutions of the 20th century to the progress of basic sciences.

"When the theories of relativity and quantum mechanics were first published, very few scientists understood the significance of them," the professor said.

"But years later, the theory of relativity led to the explosions of atomic bomb and hydrogen bombs, which shocked the whole world," the noted Chinese theoretical physicist added.

"The electronic and quantum mechanical theory led to the invention of micro-electronics, laser, computer and superconductor, and brought us into an era of information," he said.

Speaking about today's frontier sciences and trend of scientific development, he noted that high technology comes from the results of frontier sciences and is pushed forward by the needs of market. "The high technology will in turn stimulate the development of basic sciences," he said.

Zhou said that high technology which is a close combination of science with technology is an important part of a country's overall strength. At present science and technology are developing at high speed, especially those frontier sciences of life, information, cognition, materials, environment and non-linear issues.

"These frontier sciences will have strong impact on the eco-social development and man's life of the next century," he said.

According to the president, China has made marvelous achievements in science and technology during its long history. "Unfortunately, modern science was not born in China," he noted.

The Chinese scientist said that the birth and development of science and technology require good social conditions which include a powerful government leadership and strong national industry that relies on the nation's self-developed science and technology; material necessities provided by the society, such as experimental and observation facilities and data; freedom of academic exchanges and respect for learning and talented people.

Zhou said that as a developing country, China has recently made a correct historical choice by encouraging most scientists and technicians to work in factories and rural areas for the national economy.

"Science and technology can only gain nutrition or scientific ideas from practice and receive continuous input by pushing forward economic development.

He said that to guarantee long-term studies of basic sciences and maintain a sustained social development, China needs to establish a number of high-level scientific research bases and to cultivate a scientific contingent working on the international frontier sciences.

"Whether working on basic sciences or applied technology, creativity is of utmost importance," he said.

"Scientists working on basic sciences must seek to be number one in their fields while applied scientists must have their own inventions and their own intellectual property," he said.

Approaching the upcoming 21st century, he said, China is undertaking great changes. The developing conditions are better than that of any other historical periods.

"I believe that a golden age for China's scientific development is coming and great development will take place as the country continuously improve its scientific and technological conditions," he said.

Shenzhen, Hong Kong To Improve River's Course

OW2905083395 Beijing XINHUA in English
0611 GMT 29 May 95

[FBIS Transcribed Text] Shenzhen, May 29 (XINHUA) — The first-phase of a project on improving the 37-km-long Shenzhen River course, which lies between this special economic zone and Hong Kong, has begun, according to the overseas edition of today's People's Daily.

Li Zibin, newly-appointed mayor of Shenzhen, said at a ceremony that when the project is completed, flooding and water pollution in the area will be greatly reduced.

The river irrigates an area of 312.5 sq km, 187.5 sq km on the Shenzhen side and 125 sq km in Hong Kong. Floods occur frequently because of river bends and heavy silting.

Following a long period of negotiations, Shenzhen and Hong Kong decided to join hands to develop the river in three phases.

The first phase will involve some fishing villages, two winding parts of the river from Futian to Mazhou, and a six-km stretch of the river. A sluice gate at Futian and a dam for protecting the Luohu Bridge will also be built.

The first phase is scheduled to be finished by May 1997, involving a total investment of about 600 million yuan (70.59 million U.S dollars), officials said.

CHINA DAILY Welcomes S&T Conference

HK2805022995 Beijing CHINA DAILY in English
26 May 95 p 4

["China Daily Commentary": "Science Conference"]

[FBIS Transcribed Text] The National Conference on Science and Technology opens in Beijing today. It will chart the path of China's science and technology into the next century.

At a national science conference in 1956, in the first years of the People's Republic, Chairman Mao Zedong urged people to "march on science." His call greatly aroused our fellow countrymen's regard for the importance of science.

In 1978, also at a national science conference, Deng Xiaoping put forward two concepts: "Science and technology are productive forces" and "intellectuals represent a component part of the working class." His words heralded a new beginning for China's scientists and their research work.

In the following years, when reform and opening up to the world came into full swing, a guideline was formulated that scientific and technological work must serve economic development while economic work must rely on science and technology. In other words, science and technology on the one hand should promote the economy while a powerful economy allows further investment in science and technology.

But, within the framework of socialist market economy, how can science and technology fully play the role of being a primary productive force so as to make the greatest possible contribution to economic development?

This is a question of importance which the current conference seeks to address as its paramount task.

On the eve of the conference, the State Council made public a policy statement on accelerating progress in science and technology.

Meanwhile, a strategy was also announced that national prosperity be brought about through science and education.

In other words, economic development is fully reliant on advanced science and technology and on improved qualities of those who work in scientific and technological fields.

Hence Deng Xiaoping's concept of science and technology being primary productive forces can be fully implemented.

The conference will surely reach consensus on the necessity of dramatically increasing investment in science and technology. It is a fundamental truth that output cannot grow without growth of input.

Specifically, the conference will propose that the total research and development budget should grow from 0.5 percent of GDP in 1994 to 1.5 percent of the index by the end the century.

The conference will call on number one leaders in each locality and institutions to personally administer science and technology as they should in regard to it being a primary productive force.

With a new century less than five years away, vision is needed in making strategic scientific decisions for the future. Presidents of each unit are duty bound to shoulder this task in the long-term interests of the nation.

The conference, which again shows the determination of the Party and government to develop science and technology, will be a motivating force to our scientific and technological circles.

It certainly will play a positive role in accelerating the development of science and technology and achieve their further integration with the national economy. In this sense it will be another milestone.

Torch Plan Yields 15,000 Discoveries

*OW2905092895 Beijing XINHUA in English
0817 GMT 29 May 95*

[FBIS Transcribed Text] Beijing, May 29 (XINHUA) — The large number of research results have been applied to commercial work in China, because of the reforms and opening up, according to today's Economic Daily.

The paper said that scientists have had 15,000 discoveries since China developed the plan to tackle key problems in science and technology ten years ago.

The application of the discoveries has resulted in production valued at 40 billion yuan, it added.

In 1986, the Chinese Government formulated the plan for high-tech research and development, centering on breakthroughs in biology, space, information science, lasers, automation, energy, and new materials.

As a result, 400 discoveries have been reported in the field, 10 percent of them having been used in production.

According to the paper, by the end of 1994 China had set up 156 key laboratories, 80 of which also welcome foreign researchers.

The State Council, China's highest administrative body, in 1987 put the "torch plan" into effect, to apply research

findings to production more rapidly, and, in 1994 it yielded 79.9 billion yuan in output value in high-tech industries.

By the end of 1994, 67 national engineering research centers had been established and 143 pilot production lines installed.

In 1985 the Chinese Government launched the "spark plan" in an attempt to invigorate the rural economy, the paper said, explaining that 51,000 technical projects had been undertaken, with 20.7 million technicians and managers having been trained in rural areas by the end of 1994.

The paper said that scientists have had 345,000 discoveries since China initiated the policy of reforms and opening up in 1979, 19.3 times the amount of the previous 30 years altogether. Use of the discoveries yielded at least 300 billion yuan in value of goods.

In addition, 1.85 million technology transfer contracts worth 96.5 billion yuan were signed during the 1986-1994 period, while a total of 397 fine strains of rice, wheat, cotton and soybeans have been developed, now being used on 43.3 million hectares.

Nearly 500 types of special-purpose integrated circuits have been developed and are now in use in power, metallurgical, chemical, textile, and light industries.

By the end of 1994, the State Patent Office had approved 223,152 patents, 90.3 percent of which are held by Chinese inventors. To date, 30 percent of the patents have been applied to some form of production.

Guangdong To Offer Internet Access to Public

HK2905042095 Beijing CHINA DAILY (BUSINESS WEEKLY) in English 28 May-3 Jun 95 p 6

[Article by Li Wen: "South China City to Log on ChinaNet"]

[FBIS Transcribed Text] Guangzhou — South China's Guangdong Province will be able to introduce ChinaNet, China's Internet access service, to public users once approval from the Ministry of Posts and Telecommunications is granted next month.

So far, the central government has approved Beijing and Shanghai branches to operate ChinaNet.

China announced plans to connect with Internet on May 17, World Telecommunications Day.

ChinaNet will provide convenient and flexible Internet connection services, allowing them to use electronic mail, Usenet news and telnet, file transfer protocol

(FTP), Gopher, World Wide Web, Archie and World Access Information System.

Clients can apply for ChinaNet from local telecommunication offices.

Internet is the largest international computer network, connecting millions of computers and an estimated 30 million to 40 million users worldwide.

The network makes it possible for online users to communicate instantly and to share a great variety of services, software, and information.

Internet began as a tool for scientific research, but is now a venue for business activities and information exchange.

Beijing has more than 400 ChinaNet users, and officials predict that its client base will grow quickly.

So far the Beijing-based Chinese Academy of Sciences, the State Education Commission and Beijing and Qinghua universities have linked their telecommunications systems with the Internet.

Military & Public Security

Deng's Secretary Joins Military Commission

HK2705061295 Hong Kong SOUTH CHINA MORNING POST in English 27 May 95 pp 1, 7

[By Dede Nickerson in Beijing]

[FBIS Transcribed Text] General Wang Ruilin, the secretary of ailing patriarch Deng Xiaoping, is to assume a key position within China's influential Central Military Commission. Sources say the move, due to take effect in the coming months, is the result of a bargain struck with the Communist Party chief Jiang Zemin as Mr Deng's health fades.

General Wang, promoted to full general status by Mr Jiang last June, has been the purveyor of Deng Thought for almost a decade and wielded enormous political muscle in the late 1980s when Mr Deng's power was at its zenith.

Until recently, General Wang managed Mr Deng's personal office and controlled access of visitors and information to the paramount leader, who he has served for the past 35 years. But now, all communication to and from the Deng office must go through Mr Jiang. Sources say that Mr Jiang has taken control of the situation in an effort to curb the influence of the Deng offspring and also as a result of General Wang's declining position.

Many of China's senior leaders were annoyed when Deng Rong gave a private interview to the New York Times several months ago commenting on her father's

health, without prior approval from the State Council. "It is that incident that triggered Jiang's decision to take control of the Deng office," said a source.

Sources in the capital say General Wang, who is also deputy director of the Army's general political department, is likely to replace Zhang Zhen, the commission vice-chairman. General Zhang, 82, is the oldest serving general in the People's Liberation Army. His departure could have a fairly serious impact as he has been active in overseeing many of the major reshuffles in the senior ranks of the military high command over the past years.

Western analysts say the Wang move might not be such a wise one for Mr Jiang, who as Deng's anointed successor has moved to consolidate his authority and strengthen ties with the military. "Wang's power base is derived almost exclusively from his intimate ties with Deng and the paramount leader's family. He is not widely respected among military commanders or political leaders because his status and influence are almost exclusively derived from his position as Deng's secretary," said a military analyst.

The power struggle in Beijing has intensified as Mr Deng fades, and having military support is the key to success in Chinese politics. For the past few years Mr Jiang has been making a serious effort to appoint his allies in key positions and forge ties with the military. "Jiang is making steady progress on gaining military support, but he's got a long way to go. But he does have better relations with the military than any other civilian leader," said the analyst, who argues that Wang's appointment to such an important position would not help Mr Jiang in his efforts to curry favour with the Chinese military.

While the power struggle and jockeying for position may be intensifying, the participants are still playing by the rules of the game, which are respect the nominal leader, and, if you criticise him, do it quietly.

Jiang Zemin Addresses Ideological Meeting

OW3005053595 Beijing XINHUA Domestic Service in Chinese 1159 GMT 25 May 95

[By RENMIN RIBAO reporter Jia Zhaoquan (6328 2507 0356) and XINHUA reporter Luo Yuwen (5012 3768 2429)]

[FBIS Translated Text] Beijing, 25 May (XINHUA) — During a meeting today with all comrades attending an all-army discussion meeting on ideological and political building, Jiang Zemin, general secretary of the CPC Central Committee, president of the state, and chairman of the Central Military Commission [CMC], said that the key to always maintaining the Chinese Armed Forces'

quality and to ensuring that the party has absolute leadership over the Armed Forces is to properly build a troop of cadres.

CMC Vice Chairmen Liu Huaqing and Zhang Zhen, and CMC members Chi Haotian, Zhang Wannian, Yu Yongbo, and Fu Quanyou, attended the meeting.

Jiang Zemin said: The current all-army discussion meeting on ideological and political building was successful and serves as a powerful force to step up the Armed Forces' ideological and political building. After the meeting, comrades attending the meeting should earnestly carry out the meeting's guidelines, further improve ideological and political work, and carry forward the good traditions of the party and the Armed Forces.

Jiang Zemin stressed: In building good leading bodies, setting a good example is more important than preaching. Leading cadres must wholeheartedly serve the people, maintain close ties with the masses, work against difficulties, be honest in performing their official duties, and play an exemplary role in all ways. Members of leading bodies should seriously conduct criticism and self-criticism; every leading cadre should voluntarily subject himself to supervision of party organizations and the masses. In doing their work, they must go deep into reality, work in a down-to-earth manner, speak the truth, do practical things, and seek practical results.

Deputy directors of the General Political Department of the People's Liberation Army Wang Ruilin, Zhou Ziyu, and Xu Caihou as well as Assistant Director Tang Tianbiao, attended the meeting.

Jiang Zemin Watches PLA Children's Art Troupe

OW2605171495 Beijing XINHUA in English
1636 GMT 26 May 95

[FBIS Transcribed Text] Beijing, May 26 (XINHUA) — Chinese President Jiang Zemin this evening watched performances given by a children's art troupe of the Headquarters of the General Staff of the People's Liberation Army (PLA).

The show was specially arranged to mark the upcoming International Children's Day on June 1.

Jiang, also general secretary of the Central Committee of the Communist Party of China (CPC) and chairman of the Central Military Commission (CMC), extended greetings to the children and offered his regards to all the children across the country, wishing them all good health.

After the performances, Jiang and other CMC leaders went onto the stage and had pictures taken with the young performers.

Zhang Zhen Discusses Army Building

OW2605130495 Hangzhou ZHEJIANG RIBAO
in Chinese 5 May 95 p 1

[Unattributed article: "While Conducting Investigation and Study in Zhejiang, Zhang Zhen Stresses Need To Give Top Priority to Ideological and Political Work and Comprehensively Strengthen Army Building"]

[FBIS Translated Text] While conducting investigation and study at the ground, naval, air force, and armed police force units stationed in Zhejiang from 21 April to 3 May, Zhang Zhen, vice chairman of the Central Military Commission, stressed: It is necessary to give top priority to ideological and political work and comprehensively strengthen army building in accordance with the general demand for "political competence, military prowess, excellent style, strict discipline, and strong support," forwarded by Central Military Commission Chairman Jiang Zemin.

Accompanied by Fang Zuqi, political commissar of the Nanjing Military Region, Zhang Zhen visited grassroots officers and men at army units, organizations, airports, piers, and islands during his inspection. He held discussion meetings with them to understand new situations and new problems encountered by them in army and reserve force building. He listened to opinions and suggestions of the troops and exchanged views with them. At the "Hard-Boned Sixth Company," Zhang Zhen tested at random the company's training subjects and political education. Zhang Zhen also attended a party group meeting of the "Xuchang Company," a certain unit's heroic company where he served as a soldier. Zhang Zhen called on some retired veteran comrades in Hangzhou and visited the "red ship" at Jiaxing's South Lake.

Zhang Zhen inquired in detail how troops conducted education in patriotism and sacrifice, education in revolutionary outlook on life, education in respecting cadres and cherishing soldiers, and education in arduous struggle wherever he went. He pointed out: Under the new situation, we must, in accordance with the demand of Central Military Commission Chairman Jiang Zemin, attach great importance to the army's ideological and political building and give it top priority among various development tasks. Currently, we must deepen the study of the vast number of officers and men in Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics, closely integrate their thinking, and realistically and effectively conduct education in the above mentioned four aspects for them. He fully affirmed a certain division's practice of combining education for troops, social education, and family education

as he felt that this is currently a good way for strengthening ideological and political work.

Zhang Zhen was very concerned about the development of the army's party committees and leading bodies. He pointed out: It is crucial to have strong leadership of party committees at all levels for continued development in army building. The implementation of ideological and political work and various tasks for the army all depend on party committees. Party committees at all levels must carry forward the three major practices introduced by Chairman Mao —integrating theory with practice, maintaining close link with the masses, and criticism and self-criticism. They should uphold democratic centralism, further rectify the guiding ideology for their work, enhance the unity of leading bodies, strengthen the building of honest administration, and establish a good image so that they are worthy of the name of strong command headquarters. Party committees must select capable cadres, especially top military and government leaders. He stressed: The company is the army's foundation, and it is necessary to select the right company commanders and political instructors and effectively build up company party branches.

During his investigation and study, Zhang Zhen held numerous in-depth discussions with troops on training reform. At a discussion meeting with a certain naval detachment, he heard reports, frequently asked questions, and praised the detachment for studying and applying correct battle plans. He stressed: Military training for troops must be conducted on the basis of existing equipment. We must strengthen study of battle plans, improve training methods based on actual battle needs, and strive to upgrade modern skills, especially overall combat capability in the high-technology environment. After testing at random some training courses of the "Hard-Boned Sixth Company," he highly appraised the superb skills and military prowess of the company's officers and men. He hoped that all army units would

emulate the company by conducting rigorous training and continuing to upgrade training quality.

Zhang Zhen also expressed his concern for the life of officers and men. He did not only inquire, but also sent his accompanying personnel to understand actual situations in army units and the market. He stressed the production of agricultural sideline products and operation of service centers for the troops. He asked units to strengthen management of army mess halls to ensure adequate and good meals for soldiers. After the introduction of new working hours, it is necessary to rationally organize holiday activities for troops. We should hold colorful and rich cultural activities in army camps to make camp life more appealing. We should also let soldiers study for scientific and cultural knowledge.

Zhang Zhen pointed out: Zhejiang lies in a very important strategic position in the southeast coastal regions. The vast number of officers and men stationed in Zhejiang must fully realize the heavy responsibility they shoulder and enhance their sense of responsibility and sense of mission in the army. Various army units must, in accordance with Chairman Jiang Zemin's general demand, earnestly implement the commission's newly issued "Outline on Army Building at Grass-roots Level" and work hard in a practical manner to comprehensively raise the task of army building onto a new level.

During his investigation and study, Zhang Zhen also gave directives on armed police force building, reserve force building, and veteran cadres work.

Those who accompanied Zhang Zhen's tour included Wu Quanxu, assistant chief of general staff; Zhou Ziyu, deputy director of the general political department; and Wang Tailan, deputy director of the general logistics department.

General

Zhu Rongji Calls For Inflation Control

OW2805141595 Beijing XINHUA in English
1324 GMT 28 May 95

[FBIS Transcribed Text] Beijing, May 28 (XINHUA) — Chinese Vice-Premier Zhu Rongji urged governments at all levels to give priority to the control of inflation in their economic work and take strict measures to control the investment scale in fixed assets.

Delivering a speech on national economic situation at the national scientific and technological conference on Saturday, the vice-premier said that last month saw a 0.7 percent rise of commodity prices despite the trend of the price drop in the first three months of this year. "We must pay attention to this renewed rise of prices," he said.

"The Chinese Communist Party Central Committee and the State Council have done a lot of down-to-earth work in continuing to strengthen macro-economic control, improving the important reform measures which were taken last year and curbing inflation," he said. "Currently, the national economy is operating smoothly and continuously moving towards the designated macro-control targets."

Zhu said that the most important thing to do in controlling inflation is to strictly control the scale of investment in fixed assets and the high growth of consumption fund.

"Since the beginning of this year, although the State Council has not approved any new large and medium-sized projects, some local authorities who have a shortage of fund have started a large number of capital construction projects through unauthorized money pooling and price rise and imposition of arbitrary quotas and service charges.

In the first four months of this year, China has started 8,325 state-funded projects, an increase of 53.5 percent over the same period of last year. "Governments at all levels should be aware of the potential pressure of price rise which is increasing," he said.

Talking about the country's agriculture, the Chinese Vice-Premier said that the country's agriculture is entering a new period of development.

"The first three months of this year saw an increase of 70 percent in the production spending of farmers per capita over the same period of last year, an increase of 35 percent in sales of chemical fertilizers, and the expanded acreage for grain, oil plants. We expect a good summer grain harvest and an increase of 20 percent of oil-bearing crops," he said.

"Thanks to the imports of this year, the country has kept a surplus balance of the total demands for grain, cotton, edible oil and chemical fertilizer," he said. "The market prices of agricultural products can be controlled and will remain stable.

Zhu said that the current development of socialist market economy and the realization of strategic goals of modernizations in three phases in China require people to stick to Deng Xiaoping's theory of building socialism with Chinese characteristics and the spirit of President Jiang Zemin and Premier Li Peng's speeches at this conference, as well as implement earnestly the decision of the Central Committee of the Communist Party of China and State Council on accelerating national scientific and technical progress issued recently.

He said in the country's economic work and economic planning, a transformation should be made to relying on scientific and technological progress and to improving efficiency and quality of the economic growth.

He said that China's enterprises should improve product quality and structure with the help of science and technology's progress, and lower their consumption of resources and raw materials.

He pointed out that a rapid economic growth based on outdated technology is on no account a healthy and lasting one, so enterprises' technical progress will be listed as a crucial part of the ongoing establishment of a modern enterprise system, as well as serve as a key to the invigorating of state-owned firms.

Moreover, Zhu said, the country's scientific and technological progress should adapt itself to the economic development, and enterprises should play a key role in the technological development. And the country's scientific institutions should give more attention to the transforming of scientific achievements to practical productive forces. Special attention should be paid to vigorously promoting scientific and technological progress in agriculture and rural areas, he added.

The vice-premier called upon China's scientific units to foster and select a great number of young scientists for the country's further development in the scientific and technical field in the coming century, and improve the environment and conditions for the cultivation of scientists.

Furthermore, he said, necessary working conditions should be created for China's scientific and technical workers, and government officials at all levels should especially bear such responsibilities to provide help to scientists.

Song Jian, State Councillor and minister of the State Science and Technology Commission, chaired today's meeting, at which Ding Guangen, member of the Political Bureau of the Central Committee of the CPC, was present.

Party Officials Required To Report Income

HK2805022895 *Beijing CHINA DAILY in English*
26 May 95 p 3

[FBIS Transcribed Text] In the latest manoeuvre to crack down on corruption, the central authorities has told officials to report their income regularly.

Party and government officials above county level were ordered to do so in a circular jointly issued by the State Council and the Central Committee of the Chinese Communist Party on April 30.

The circular comes as part of the Party and government efforts to promote a clean and honest public image while building a closer relationship between the Party, the government and the people.

The circular is aimed at officials of the Party the People's Congresses, political consultative conferences, administrative organs, courts and procurates.

It says individuals should report their incomes for the first half of this year by July 20, and detail income for the second half by January 20 next year.

Details, which must be reported, include wages, bonuses allowances and welfare funds. In addition, any earnings from consultancies, lecturing, writing or painting and calligraphy must be declared.

Officials of institutions and enterprises have to report earnings from any projects.

Officials who fail to report their incomes or report false incomes will be disciplined.

Beijing Shifts Focus of State Enterprise Reform

HK2905053695 *Hong Kong ZHONGGUO TONGXUN SHE in Chinese* 0842 GMT 8 May 95

["Special article" by reporter Hong Wen (3126 2429): "Why Have State Enterprises Switched Focus of Attention Back to Management?"]

[FBIS Translated Text] Hong Kong, 8 May (ZHONGGUO TONGXUN SHE)—Certain signs recently indicate that the mainland's enterprise reform, which has been catching the attention of people at home and abroad, has "changed track." No more is the need stressed to "thoroughly remold state enterprises" by straightening out property rights or declaring money-

losing enterprises bankrupt, but rather the focus of attention has shifted to the improvement of internal management. Some economists pointed out: The change in thinking may be necessary for state enterprise reform. However, the difficulty involved in management improvement is considerable, the authorities must take these difficulties seriously.

China now has over 70,000 state-owned enterprises. The central authorities have decided to first revitalize 500 to 1,000 key ones.

Wu Bangguo, who was appointed vice premier not long ago and is responsible for industry, said: Improving enterprise management means strengthening the foundation for all enterprise work and is also an important aspect of deepening enterprise reform. Wang Zhongyu, minister of the State Economic and Trade Commission, also pointed out: Without scientific, rigorous, and standard management, the positive results of enterprise reform would not be consolidated.

Some economists said: Last year China carried out state enterprise reform mainly through straightening out property rights, introducing the joint-stock system, and declaring bankrupt enterprises running in the red, namely three measures which were prevalent once; but this year, China has focused on separating the functions of the government from those of the enterprise and on management improvement. Roughly speaking, there are two reasons for this.

1. The property rights reform has proved less successful. Since the relevant laws were not put in on a sound basis and the social security system was not established, many knotty problems such as great losses of state assets and worsening unemployment were brought about by the reform. As a result, the state-owned economy as a whole was not revitalized.

2. Mismanagement remained the main reason for enterprise losses. A survey shows that the losses of nearly 70 percent of failing enterprises were due to mismanagement. As people were only thinking of property rights reform and the joint-stock system to the neglect of improvement of management, which was of fundamental nature, the malpractice of "replacing management with switching the enterprise to the manufacture of other products, with introducing the joint-stock system, and with contracting output quotas to workers" became increasingly serious, labor discipline was not observed in some enterprises, and even a lot of raw materials and products were stolen unnoticed. All this made it difficult for state enterprises to survive the fierce market competition or to expand themselves through competition. Thomas Chan Man-hung, head of the Hong Kong Polytechnic University China Business Center, pointed out:

Facts have proved that it is impracticable to indiscriminately copy the Western privatization model in China's enterprise reform. There is no shortcut for enterprise management improvement. To raise its economic efficiency, the enterprise must first try to improve management, which is of fundamental importance, strengthening control over production cost, capital, and marketing in a scientific way.

Leonard Cheng, deputy chief of the Dean of Business and Management of the Hong Kong University of Science and Technology, said: It may be a necessary course to success for state enterprises to switch their attention back to management, pressing ahead with the reform in the way of "retreating in order to advance." But many difficulties must be overcome before enterprise management can be improved, he added.

It is generally believed that problems standing in the way of management improvement include laying off and resettlement of redundant staff, benefit distribution among workers and staff of enterprises under the public ownership, and punishment for mismanagement. If the authorities fail to effectively separate the functions of the government from those of the enterprises and establish a social security system, management improvement will be out of the question.

Beijing To Conduct Price Control Check

OW2705145395 *Beijing XINHUA in English*
1439 GMT 27 May 95

[FBIS Transcribed Text] Beijing, May 27 (XINHUA) — China will do a nationwide check on the effectiveness of price controls from early June to early July, according to a recent decision by the State Council, the country's highest governing body.

In a circular issued for the campaign, the State Council explained that retail price hikes in different localities across the country have been falling since the beginning of the year, but there is still quite a gap between the present price and the desired price, so that different areas and departments must take the matter seriously.

The investigation in different areas and different departments is aimed at implementing various policies and measures of the Central Committee of the Communist Party of China (CPC) and the State Council on curbing inflation and meeting this year's price control goal.

According to the circular, the investigation will focus on the 10-articles put forward by the State Council last year and the implementation of various policies and measures worked out at the central economic conference on putting a brake on inflation in different areas.

To ensure a smooth investigation, the State Council will send work teams to carry out the work. The teams will consist of workers of different government departments, members of the National People's Congress (NPC), and members of the National Committee of the Chinese People's Political Consultative Conference (CPPCC).

Nation To Set Professional Standards

OW2605153795 *Beijing XINHUA in English*
1529 GMT 26 May 95

[FBIS Transcribed Text] Beijing, May 26 (XINHUA) — In a new move to establish a professional qualification system nationwide by the year 2000, China set up a National Work Committee on Professional Classification and Qualifications here today.

To bring it in line with international practices, it plans to compile a Professional Classification Canon of the People's Republic of China in three years, according to Vice-minister of Labor Lin Yongsan, who was named deputy head of the new organization.

He said that this is fundamental for "the exploration and scientific management of the country's labor resources," which will help economic statistics work, vocational training, employment consulting and guiding services, labor force forecast. This also provides important basis for China to establish and perfect the system of the state professional qualification certificate, he added.

This will also pave the way for the country to establish a job market where laborers can move freely and enjoy equal opportunities in the fast changing society, he said.

The new committee was composed of people from the Ministry of Labor, the State Bureau of Technical Supervision, the State Statistical Bureau, and 30 other departments under the State Council.

At present, the Ministry of Labor has formulated norms for more than 4,000 jobs in 42 trades in accordance with international norms and China's actual conditions.

Bo Yibo Greets Meeting on Improving Service

OW3005020195 *Beijing XINHUA Domestic Service in Chinese* 1623 GMT 25 May 95

[FBIS Translated Text] Beijing, 25 May (XINHUA) — Bo Yibo, honorary chairman of the organizational committee of the "Portrait of China's Service Quality," recently stressed the need to raise work in promoting service consciousness, establishing service standards, and improving service quality to a new level.

It has been learned that leading comrades of the State Council and proletarian revolutionaries of the older generation place great importance on, and support a meeting

entitled: "Improve Service Quality and Implement Service Standards," to be held by the organizational committee on 26 May. Leading comrades of the State Council expressed their support for launching the "Portrait of China's Service Quality" activities and for holding the meeting, stressing that currently service quality has become a hot topic that the masses of people are concerned about, and that launching activities to improve service quality has extremely great significance.

In his letter to the activities' organizational and executive committees, Comrade Bo Yibo said: "My congratulations to you for sponsoring a meeting on making a declaration on improving service quality, and also for further carrying out the 'Portrait of China's Service Quality' activities. I hope you will raise work in promoting service consciousness, establishing service standards, and improving service quality to a new level; and will achieve practical results, in order to make contributions to developing the tertiary industry, improving the market order, purifying the social environment, and promoting spiritual civilization."

The "Improve Service Quality and Implement the Service Standards" meeting will be held to greet the holding in Beijing of a public seminar on service issues by the Consumers Policy Committee of the International Standardization Organization. The meeting will discuss China's service quality and hear special reports on the establishment and implementation of a system of service quality standards. More important than this is that, at the meeting, the organizational committee and people from enterprise circles will submit and make China's first declaration on improving service quality.

The organizational committee announced its work and survey reports in the middle of this month. The two reports clearly pointed out that service quality is directly connected to the party's style, social atmosphere, market order, and social environment; and that it has an effect on reform, development, and stability. The reports said: To improve service quality, currently the most important thing is to establish a system of service quality standards. At this critical moment of reform, development, and maintaining stability, we should seize the opportunity of the holding of the public seminar to establish a complete system of service quality standards in line with those of foreign countries.

Directory Data Bank for Businesses Operational

OW2905082895 Beijing XINHUA in English
0325 GMT 29 May 95

[FBIS Transcribed Text] Beijing, May 29 (XINHUA) — The Wanguo Directory Data Bank, the most complete and most recent business-directory data bank in

China, has opened here, according to today's Economic Information.

The newspaper said that the data bank, built by the Beijing-based Wanguo Enterprise Service Company, lists 2.3 million businesses in 90 industries throughout the country.

The data includes names, addresses, postal codes, executives' names, telephone numbers, and key information on each business.

Using the data bank, customers can do market surveys, choose investment projects, find suppliers, market products, and seek business partners, the paper says.

There are three sub-banks also, a directory data sub-bank for Chinese enterprises and institutions, a Chinese entrepreneur director data sub-bank, and a Chinese enterprise data sub-bank.

Progress in Using Domestic Substitutes Noted

OW2805113295 Beijing XINHUA Domestic Service
in Chinese 1000 GMT 14 May 95

[By reporter Zhu Youdi (2612 1635 2769)]

[FBIS Translated Excerpt] Guangzhou, 14 May (XINHUA) — Xu Penghang, vice minister of the State Economics and Trade Commission, addressed the national experience-exchange meeting on making more use of domestically developed key technology and equipment here today. He said we must step up efforts in making more use of domestically developed key technology and equipment and give top priority to quality to upgrade our technical level and competitiveness and promote steady and efficient production of quality goods in large quantities.

Xu Penghang said: In making more use of domestically developed key technology and equipment, we must uphold the policy of taking the market as the guide, meeting the needs of the user, and bringing into play the initiative of both user and manufacturer. Development of key technology and equipment must be carried out in connection with a backstopping project and be closely integrated with importation of technology and technological transformation; top priority should be given to quality in developing key technology and equipment. We should learn from and make creative use of exemplary experience in this regard and make earnest efforts in implementing key technology and equipment development projects contained in the Ninth Five-Year Plan.

According to a briefing, since 1983 when the State Council laid down the task of making more use of domestically developed key technology and equipment,

China started developing key technology and equipment for 12 key projects by such methods as integrating technology and trade, joint designing, joint manufacturing, and independent research. By and large, we have accomplished the goal of substituting Chinese-made equipment for imports in four projects, such as large modular sets of equipment for open-cast coal mines with an annual designed capacity of 100,000-metric tons or more, complete sets of equipment for large thermal power plants, for the second phase of Baoshan Steel Company, and for the Datong-Qinhuangdao heavy-duty railway. China has now mastered key technologies in these areas. The remaining eight projects, except for a few whose contents have been incorporated into the Ninth Five-Year Plan, have also accomplished the original goal of using domestic substitutes, saving a huge amount of state investment and yielding good economic returns.

Progress in our work is reflected not only by the batch manufacturing of urgently needed, technically advanced equipment but also by the accomplishment of a large number of key, specialized projects utilizing domestic substitutes, and the timely completion of key construction and technical transformation projects. Meanwhile, it has also effectively raised the technical and management levels of China's machine-building and electronics industries and promoted the integration of manufacturing, academic, and research circles and the technical progress of enterprises, bringing up a contingent of well-trained scientific and technological personnel for the state. For example, the 200,000-metric ton sulphuric acid set at a phosphamidon plant affiliated to the Tongling Chemical Corp. would have cost 300 million yuan if it had been entirely imported. Thanks to the efforts to develop our own technology and build it on our own, we completed the project with only 150 million yuan, saving over 50 percent in investment. [passage omitted]

Construction Ministry To Build Information Center
HK2805084395 Beijing ZHONGGUO XINWEN SHE in English 0322 GMT 27 May 95

[FBIS Transcribed Text] Beijing, May 27 (CNS) — China's Ministry of Construction is currently preparing for the establishment of a national information centre so as to provide China's enormous and complicated construction market with prompt and accurate information.

The information centre will have the following two main tasks:

1. To provide those responsible departments with macro information which will be used as reference in formulating policies;

2. To establish a complete information system and provide both domestic and foreign enterprises with macro, micro or individual information. The services will be charged to the user.

Professions like construction, real estate, public utilities, civil engineering, urban and rural development and so on are all under the Ministry of Construction. The information work for real estate industry has taken basic shape. Relevant institutions have worked out a nationwide property index which is called "China Property Index" for short. In the first quarter of this year, the China and Foreign Property Information Centre will be merged into the information centre of the Ministry of Construction which is now under preparation.

Minister on Restructuring Chemical Industry

OW2705032695 Beijing XINHUA in English 0244 GMT 27 May 95

[FBIS Transcribed Text] Beijing, May 27 (XINHUA) — China will speed up restructuring of its chemical industry, so as to make it well-positioned in fierce international competition, a senior Chinese official said.

During an exclusive interview with XINHUA, Gu Xiulian, minister of chemical industry, said Friday that "the latest development of the international economy requires China's chemical sector to quicken the pace of structural readjustment, including the restructuring of products mix, industrial composition, and set-up of enterprises."

She added that China should establish diversified and trans-regional group companies.

The woman minister expressed her belief that with the introduction of new and high technologies from abroad the structural readjustment can be accelerated.

In May, Gu led a delegation on a three-week tour of the United States and Canada, during which she visited a number of transnational companies, such as Monsanto, Du Pont, Kodak, Texaco, ICI, Dow Chemical and Witco.

Having known more about latest market information and high-tech products, Gu said chemical giants, such as Du Pont and Kodak, are bent on making readjustments to focus on advantageous sectors where they can gain an upper hand, and that realignment makes them stronger on the international market.

At present, these companies are all aiming at the Asia-Pacific region, especially the huge, potential market of China. Since China and the United States signed the agreement on the protection of intellectual property rights, more and more foreign chemical companies are

interested in Chinese market and want to sell more technologies to the country.

Last year, China's chemical industry signed letters of intent involving one billion U.S. dollars with large overseas chemical firms. The ministry has signed cooperative agreements with government bodies of five countries and 13 transnational companies.

The Chinese delegation brought 20 projects to North America to seek for co-operation, ranging from agricultural chemicals, petrol-chemicals, coal chemicals and fluorine chemicals to engineering design and environmental protection.

In the last five years of this century, China's chemical industry will keep growing at the same speed with the national economy. During the period of the Eighth Five-year Plan (1990-1995), the industry has been expanding at an annual growth rate of ten percent.

Expert Urges Reform of Petrochemical Industry

HK2905042595 Beijing CHINA DAILY (BUSINESS WEEKLY) in English 28 May-3 Jun 95 p 1

[Article by Wang Yong: "State Is Urged To Reform Petrochemical Industry"]

[FBIS Transcribed Text] China's major petrochemical companies will no longer exist in their present form if the suggestion of a senior oil industry expert is taken seriously.

Lin Ye, director of the strategic research department of the China National Chemicals Import & Export Corp (Sinochem), has called for a reconfiguration of the petrochemical industry in the face of pressing foreign challenges.

"We must lose no time in forging several high-powered companies that can explore, refine and trade oil and oil products before foreign companies are allowed in after China joins the World Trade Organization," Lin said.

Three Chinese companies are involved in the petrochemical industry. Sinochem is generally responsible for international oil trade; the China Petrochemical Corp (Sinopec) is responsible for refining and sales at home, and the China National Petroleum Corp (CNPC) engages in exploration.

"Most international oil companies like Shell and Mobil can engage in oil exploration, refining and trading at the same time, but the chain is separated in China as a result of more than four decades of central planning," Lin said.

"This rigid separation goes against the rule of thumb of market economy."

He suggested that each of the three big companies be allowed equal opportunities in oil production and trade.

That means each company would have oil fields and refining factories of its own, as well as trading rights.

"If the government is willing to take a decisive move to launch the reform, I believe a new petrochemical industrial system will be established in about five years," Lin said.

The exploration-refining trading companies Lin envisioned would be created to shrug off foreign competition.

"But if the government does not take action immediately, our petrochemical industry will suffer a great deal," Lin warned.

He said although the reform may produce some adverse effects on the three companies in the short term, it will benefit China's petrochemical industry in the long run.

His remarks came when negotiations on China's entry into the WTO have picked up steam.

He expressed concern that his advocated reform would be prolonged because of resistance from domestic interest groups.

Property Values Appreciate After Assessment

OW2905093395 Beijing XINHUA in English 0746 GMT 29 May 95

[FBIS Transcribed Text] Beijing, May 29 (XINHUA) — Chinese state-run enterprises saw their property value appreciate considerably after re-assessment was done.

According to officials with the State Administration of State Property (SASP), about 33,900 state firms had a re-appraisal of their property done in 1994. The results show that property value increased by 242.25 billion yuan, an average growth of 47.3 percent from the previous assessment.

The majority of the entities re-evaluated were enterprises that had issued shares. Sino-foreign ventures and jointly-held corporations were also looked at, the SASP officials noted.

While pressing ahead with its reforms, China has strengthened its property assessment in order to prevent the loss of state property.

By the end of 1994, about 2,400 institutions across the country had got government approval to conduct property assessments.

The SASP authorities recently urged those doing appraisals to standardize their practices and make certain that state property is not under-valued.

Appraisals of foreign-funded enterprises should be stepped up, and should not be interfered with by administrative personnel.

A government official said that assessment work is more important this year as a certain number of debt-ridden state enterprises are planning declaring bankruptcy, and value-added taxes on land use are to be collected.

'Roundup' Views Impact of Hi-Tech Zones

OW2905134095 Beijing XINHUA in English
1307 GMT 29 May 95

["Roundup": "Hi-Tech Zones Help Improve National Economy"]

[FBIS Transcribed Text] Beijing, May 29 (XINHUA) — China's 52 development zones specially for companies involving new- and high-technology have been playing a growing role in promoting the development of the country's new- and hi-tech industry, and upgrading its traditional industry and regional economy.

Xu Guanhua, deputy minister of the State Science and Technology Commission (SSTC), said in an interview with XINHUA that the new- and hi-tech development zones, which were established in 1991 and 1992, except one in Beijing which is older, had an accumulated revenue from technology, industrial products and trade totaling 198.8 billion yuan during 1991-1994, and a total output of hi-tech products worth 158.4 billion yuan.

"The annual revenue from technology, industrial products and trade for the zones has been doubling almost every year since 1991," he said.

The total revenue from technology, industrial products and trade for the zones increased to 23 billion yuan in 1992 from 8.7 billion yuan in 1991. The revenue for 1993 totaled 57 billion yuan and soared to 99.6 billion yuan in 1994.

According to SSTC estimates, the total output of the country's hi-tech development zones is expected to hit 500 billion yuan-worth by the year 2000, and the added value of new- and hi-tech industries also is expected to account for 15 percent of the country's total added industrial output.

Hi-tech products should account for 15 percent of the country's total exports by 2000, said SSTC officials.

"The country's economic take-off will depend on the development of new- and hi-tech industries," said the deputy minister.

Pillar industries have been gradually taking shape in the hi-tech development zones, Xu said.

The output of electronic information in the Beijing New and Hi-Tech Development Zone, which was established in 1988 as the first of its kind in China, totaled 3.7 billion yuan-worth last year.

Xu predicted that modern telecommunication and biopharmaceutical products from the Chengdu New and Hi-Tech Development Zone in Sichuan Province will reach five billion yuan-worth by 1997.

"New- and hi-tech development zones are also designed to upgrade the country's traditional industries and invigorate outdated state-owned large and medium-sized firms by using hi-tech and introducing advanced management mechanisms," he said.

Experts say the hi-tech development zones, which introduce better management mechanisms than the traditional ones, have been playing pioneering and model roles in reforming the scientific and technological management system and economic restructuring.

Seven new- and hi-tech industrial development belts have been shaping up and promoting regional economic development by upgrading traditional industry and agriculture. These belts include those covering the cities of Suzhou, Wuxi and Changzhou in Jiangsu Province, the Pearl River Delta in Guangdong Province, and Beijing, Tianjin and Tanggu in north China.

New Oil Tankers Improve Commerce on Chang Jiang

OW2905153995 Beijing XINHUA in English
1448 GMT 29 May 95

[FBIS Transcribed Text] Wuhan, May 29 (XINHUA) — A group of 14,000-DWT [deadweight ton] oil tankers today passed under the Wuhan Chang Jiang River Bridge, located in this capital of central China's Hubei Province, which is the first time for such big oil tankers to pass through the middle reaches of the Chang Jiang.

The middle reaches of the Chang Jiang, especially from Wuhan to Linxiang in neighboring Hunan Province, have shallow water, many shoals and winding river channels. The Wuhan Chang Jiang River Bridge is difficult for heavy tankers to pass under. All these factors have caused difficulties for the transportation of large quantities of goods like mineral ores and crude oil.

Improved models of oil tankers were used in the trial shipping and some experiments were conducted beforehand to ensure a safe passage.

Finance & Banking

Zhu Rongji Chairs Securities Commission Meeting

OW3005091795 Beijing XINHUA Domestic Service
in Chinese 1359 GMT 22 May 95

[FBIS Translated Text] Beijing, 22 May (XINHUA) — The Securities Commission of the State Council held its fifth meeting in Beijing today. State Council Vice Premier Zhu Rongji presided over the meeting and delivered an important speech. All members of the commission in Beijing attended the meeting.

The meeting heard a work report presented by Zhou Daojiong, vice chairman of the State Council Securities Commission and chairman of the China Securities Control Commission. The meeting conscientiously reviewed the development in securities and futures markets in 1994 and fully confirmed the achievements in securities and futures supervision under the correct leadership of the State Council, with coordination of all sectors. The meeting analyzed major problems in the present securities market, studied and set the guiding ideology and work principles in securities and futures supervision for the coming period of time, and discussed and arranged work for this year.

The meeting stressed: In conducting supervision over securities and futures in 1995, we must closely center on inflation control and support for enterprise reform, strictly adhere to the principles of experimenting before popularizing and reliability rather than hastiness, exercise greater efforts in supervision, perfect the legal system, govern market behavior, check excessive speculation, and seek development amid stability.

The meeting decided that the amount of stocks to be issued in 1995 will be decided in the second quarter. The schedule of stock issuance must be strictly controlled in accordance with the market situation. Stocks must be listed by stages, in batches, and at a controlled speed. We should continue to select some well-managed large and medium-sized enterprises with great potential for listing their stocks with foreign markets after strict examinations. Meanwhile, the meeting reiterated that no matter how a Chinese enterprise lists its stock overseas, it must receive examination and approval from the State Council Securities Commission. It is necessary to rationalize the management mechanism, step up the standardization of stock exchanges, strengthen self-disciplined management, strictly govern business activities of security houses, re-classify and define operating qualifications for security houses, strengthen the supervision and management over listing companies, and screen and rectify over-the-counter trading of all kinds of securities.

The meeting fully confirmed the Security Commission's decision of suspending treasury bonds futures trading with the State Council's approval. This decision, highly praised at home and abroad, is conducive to safeguarding the image of reform and opening up, economic and social stability, and the healthy development of financial markets. The meeting called for further consolidating the fruits of the futures market, strictly banning brokers from conducting futures trading outside the country and leverage trading of foreign exchange [wai hui an jin jiao yi 1120 0565 2174 6855 0074 2496], firmly cracking down on illegal futures trading, and banning futures trading under the guise of long-term contracts. It is necessary to continue to standardize the articles of association and rules of transaction for futures exchanges, gradually have exchanges transit from company system to membership system, screen members of exchanges and brokers, and strengthen the study of and supervision over the financial derivatives markets.

Power of Regulatory Commission To Increase

HK3005040695 Hong Kong SOUTH CHINA
MORNING POST (BUSINESS POST) in English
30 May 95 p 3

[By Rowena Tsang]

[FBIS Transcribed Text] The China Securities Regulatory Commission (CSRC) is expected to have its power increased after a reorganisation, according to a securities official. An official announcement of the granting of greater regulatory powers was expected to be made next month, said Bei Duoguang, deputy director of the CSRC's Department of International Operations.

Mr Bei said in Hong Kong yesterday that some of the CSRC's 11 departments would be shut down while new departments would be formed. The Regulatory and Enforcement Department will be split. One of the new departments will specialise in drafting regulations, while an enforcement department with the power to examine and supervise securities institutions will be created. "A chief accounts department will be formed. Its job will be to check information disclosure and financial statements of listed companies," he said.

Mr Bei declined to comment on how many of the 11 departments would remain. But he said: "There will be one or two new departments formed, while those redundant in their functions will be merged." Some of the powers of the People's Bank of China will be given to the CSRC. Mr Bei said the CSRC would be given the right to issue licences for securities institutions in the near future. "It is a trend that the CSRC will be further strengthened in its regulatory authority as the watchdog of the securities market."

"The recent bond futures scandals are being handled by the CSRC; that is one example of what is happening," Mr Bei said. "It is likely all the securities institutes, and local OTC (over-the-counter) trading centres will come under its guidance and supervision in the future." Diversifying power and proper supervision has been a problem in the mainland's securities market.

Mr Bei said it was vital that the concentration of power and the diversity of control be handled properly. The bond futures scandals had shown the market was not mature enough for the development of a functioning futures market, he said. He would not predict when futures trading would resume. While some investors complained they were offered no protection with the decision to suspend trading, Mr Bei said the move had secured the overall interests of market participants.

He said the securities market should be further regulated and that the CSRC should be strengthened. He said operations of listed companies should be regulated and their qualifications upgraded. Mr Bei said China needed to develop a pool of stable investors and institutional investors, and to strengthen the qualifications of staff in the securities industry.

Chairman Announces Standardization Measures

HK2805080095 *Beijing CHINA DAILY in English*
27 May 95 p 7

[Article by Ren Kan: "New Plan on Securities"]

[FBIS Transcribed Text] China's top securities official yesterday unveiled a three-pronged plan to enhance the standardization of overseas listed domestic firms.

Zhou Daojiong, chairman of the China Securities Regulatory Commission, called for overseas listed companies to enhance supervision, promote economic efficiency and improve information disclosure.

"Standardization is the key factor to ensure the healthy development of overseas listed companies," he said at a seminar in Qingdao, Shandong Province.

Over 80 chairmen and presidents of 18 overseas listed companies attended the seminar.

Zhou said companies act according to the requirement of the international capital market.

And, he said, supervision of listed companies should be stricter than on domestically listed firms.

It was important, he said, for China's current reform and its ability to attract foreign funds.

But, he warned, foreign firms should enhance their internal management and improve their production and economic efficiency.

He said companies should adhere to their share issue prospectus.

Zhou urged product improvement and an on-going study of domestic and international markets coupled with scientific development.

Zhou said, overseas companies should enhance communication with investors and improve their information disclosure.

They should regularly releasing information about their operation and management.

Zhou said, China this year will continue to select large and medium-sized enterprises, to list their shares with overseas markets.

China has listed 16 State-owned enterprises on the Hong Kong Stock Exchange and two on the New York Stock Exchange, with a total of \$3.68 billion in foreign funds.

But Zhou predicted China will gradually explore other markets.

He said China's co-operation with international securities industry will be enhanced and the country's securities market will play an important part in the international market.

Japanese Yen Appreciation Increases Debt Burden

HK2905041895 *Beijing CHINA DAILY (BUSINESS WEEKLY) in English* 28 May-3 Jun 95 p 3

[Article by Gao Bianhua: "Yen's Rise Affects Debt"]

[FBIS Transcribed Text] The continuous and sharp appreciation of the yen since the start of this year has led Chinese officials and researchers to seek ways to deal with the increased yen-loan repayment burden.

"The runaway yen has substantially increased China's debt burden," said Xu Changwen, a senior researcher at the International Trade Institute under the Ministry of Foreign Trade and Economic Cooperation.

By the end of 1994, China had used 1,539.4 billion yen in Japanese Government loans which is equal to about \$7.5 billion in the exchange rate at the time of the loan.

China has, "at most," repaid 100 billion yen of the debt, Xu said.

However, the remaining 1,439.4 billion yen amounts to \$15.99 billion if calculated at the current rate of 90 yen to the dollar.

"That represents \$9.2 billion more than the initially calculated \$6.7 billion, and that's excluding interest," Xu said.

He added that at a rate of 85 yen to the dollar, China's 1439.4 yen debt would come to \$16.93 billion. The figure would reach \$17.14 billion at 84-to-1 and \$17.34 at 83-to-1.

"For every yen increase against dollar, China's debt burden will increase by around \$200 million," Xu said.

The steep appreciation of the yen also has pumped up the debt burden of members of the Association of South East Asian Nations. Indonesian President Suharto recently asked Japan to find a solution to the rising yen because it is increasing Indonesia's foreign debt.

Japanese Finance Minister Masayoshi Takemura said earlier this month that Japan "agreed to continue close dialogue in the future," and Japan is "willing to listen to what other countries will say."

But he also said that Tokyo "will not change the conditions attached to the yen loans" because the terms are under a floating rate system.

"We should of course pay off the debt we owe," said a senior Chinese trade official, who declined to be named. "But as the loan-provider, Japan should, on its own initiative, take measures to alleviate the heavier debt burdens for these countries."

Specialized Banks Face Self-Discipline Problems

HK3005030595 Hong Kong ZHONGGUO TONGXUN SHE in Chinese 0559 GMT 25 Apr 95

[FBIS Translated Text] Beijing, 25 Apr (ZHONGGUO TONGXUN SHE)— Despite the fact that China has required all specialized banks to implement asset liability ratio management, sources from the industry reveal that it has not been carried out as smoothly as expected due to the limitation of objective conditions. The major problems are that local governments find it hard to understand and support the change, the central bank finds it hard to exercise supervision and management, and specialized banks find it hard to exercise self-discipline.

It is difficult for the local governments to understand and support the change mainly because the change of government functions are lagging behind, because the modern enterprise system has yet to be truly established, and because the relations between finance and banks have not been straightened out.

The central bank finds it hard to exercise supervision and management. This is primarily attributed to the fact that the central bank's means of managing the asset liability of specialized banks is obsolete, making it difficult to adjust the banks' asset liability structure. At present, the central bank mainly uses flexible re loans to withdraw or issue their currency.

With regard to specialized banks having difficulties in being self-disciplined, sources from the industry disclosed that since planned management has been implemented for a long time, there are comparatively big problems in financial self-support, personnel structure, and asset liability structural adjustment, making it difficult for specialized banks to meet the requirements of self-discipline.

World Bank Loan To Aid Taxation Reform

HK2905042995 Beijing CHINA DAILY (BUSINESS WEEKLY) in English 28 May-3 Jun 95 p 3

[Article by Tong Ting: "World Bank Loan Will Help Propel Taxation Reforms"]

[FBIS Transcribed Text] The World Bank will extend \$40 million in loan to help China's taxation reform, a senior tax official told Business Weekly.

The money—half a commercial loan, half a soft loan—will be used to design new tax administration methods in 18 experimenting cities, said Xu Jiatong, deputy director with the International Co-operation and Exchange Department under the State Administration of Taxation.

Tax authorities will use the loan to purchase computer software and hardware through international biddings.

Also, the money will finance consultations with tax experts, personnel training and studies at the central and provincial levels.

Xu said because the World Bank adopted an active attitude towards China's taxation reform, the project, which was set for a three-year completion, will be concluded within one or two years.

China will continue to strengthen co-operation on tax system and administration reform with UNDP (the United Nations Development Programme) and International Monetary Fund (IMF) this year, Xu said.

The UNDP, IMF and China agreed to extend a three-year programme by one more year on tax co-operation signed in 1992.

According to the former programme, the UNDP offered \$1.03 million and the IMF provided technical assistance to help China's tax system reform.

Xu said this year, the focus will be on taxation reform rather than tax system reform.

He said the UNDP will add \$400,000 to the programme this year.

"To further perfect the tax system and carry out reforms of tax collection and management, China will conduct

continuous and long-term co-operation with these international organizations," Xu said.

Meanwhile, China is bolstering its relationships with foreign governmental tax institutions.

In May, the State Administration of Taxation and Japan's tax authority clinched an agreement on tax exchange and co-operation.

According to the agreement, tax officials will visit each other regularly every year.

China also conducted co-operation and exchanges on training and consultancies with Singaporean, US and Mongolian tax institutions.

Individual Income Tax Collection Regulations

*HK2805023195 Beijing CHINA DAILY in English
27 May 95 p 5*

[Article by Tong Ting: "Two Income Tax Rules Outlined"]

[FBIS Transcribed Text] Two regulations on individual income tax collection have gone into effect to help stop tax evasion and increase the State coffers.

The regulations on individual income tax declaration and deduction detail the legal duties of taxpayers.

China began to levy individual income tax in 1994, but loose collection methods have enabled many people to evade the tax, the State Administration of Taxation said.

The declaration regulation, which requires taxpayers to voluntarily declare their income and pay their taxes to tax authorities, has been in force since May 1.

Any person has the right to report to the tax authorities anyone who does not declare their income and pay taxes according to the regulations.

The deduction regulation, in effect since April 1, stipulates that all enterprises, governmental institutions, State-financed institutions, organizations, military institutions, and foreign representative and branch offices have the duty to deduct personal income taxes for their employees. Tax must also be paid by the self-employed.

Employers that conceal the income of employees and fail to deduct or deduct insufficient tax will be treated as tax evaders.

Both employers and employees who violate the regulations will be penalized according to tax laws and regulations.

Taxpayers and employers are required to provide full and accurate reports of income to tax authorities, along with supporting materials.

Management of Overseas Firms To Be Strengthened

*OW2605155295 Beijing XINHUA in English
1537 GMT 26 May 95*

[FBIS Transcribed Text] Qingdao, May 26 (XINHUA) — A senior Chinese securities official has urged Chinese companies listed overseas to bring their management practices in line with those common in the international market.

During a four-day seminar on Chinese companies listed abroad, Zhou Daojiong, chairman of the China Securities Regulatory Commission, said that they should control funds raised on the international market in accordance with plans drawn up before stock was issued.

Information on their operations should be handled more efficiently, and there should be better communication with foreign investors, Zhou emphasized at the seminar in Qingdao, a scenic beach city in east China's Shandong Province.

"The firms should inform the investors of any major event or decision concerning their operation in time, as is stipulated by regulations governing listed companies," Zhou said.

They should also be familiar with what their rights are on the international market, he added.

Official statistics show that at present, China has 16 state-owned enterprises listed in Hong Kong, and two others in New York, and they have raised about 3.68 billion US dollars.

By the end of 1994, China had 291 companies listed on the Shanghai and Shenzhen stock exchanges, 58 of which issued B shares, those reserved only for overseas investors, and accounting for some 2.45 billion US dollars.

Nation To Introduce Certified Public Valuers

*OW2605171395 Beijing XINHUA in English
1639 GMT 26 May 95*

[FBIS Transcribed Text] Beijing, May 26 (XINHUA) — China has decided to set up a system whereby only certified public valuers will be allowed to appraise assets, the Chinese Ministry of Personnel and the State Administration of State Property said here today.

Among those who are presently doing appraisals, only those who are "qualified" will be certified this year, according to two regulations published jointly by the two departments.

Starting next year, however, an exam will be held each May to decide who qualifies for the certification that

will be mandatory for running an evaluation agency, according to the regulations: the Provisional Rules on Professional Qualifications for Certified Public Valuers and the Rules on Qualification Exams for Certified Public Valuers.

The future exams will cover four areas: the science of assets evaluation, finance and accounting, basic engineering, and economics.

Both Chinese and foreigners working in China can take the exam, according to the regulations, the first of which will be held next May, with a registration deadline in November.

Government sources say that, by the end of last year, the number of assets appraisal agencies was nearly 2,400, with employees numbering 40,000.

Experts here say that the latest move to introduce professional standards to public appraisers indicates that China's assets evaluation methods are approaching international standards, and will help put a stop to the loss of state properties.

Foreign Trade & Investment

Copyright Administration Punishes Movie Piracy

OW3005011095 Beijing China Radio International
in English
to Western North America 0400 GMT 25 May 95

[From the "Current Affairs" program]

[FBIS Transcribed Text] The Chinese State Copyright Administration has decided to punish three production houses for pirating American movies. As CRI's [China Radio International] Li Ling reports, the move is the latest effort to stamp out a problem that continues to threaten the global market.

[Begin recording] [Li Ling] According to Deputy Copyright Director (Wu Haitao), the three Chinese companies from Nanjing City and Guangdong and Liaoning Provinces were caught red-handed illegally copying and selling American movies.

[(Wu) in Mandarin, fading into English translation] (Wu Haitao) says: The three production houses were found guilty of pirating several popular American films, including "The Fugitive," "In the Line of Fire," "Striking Distance," and "Home Alone." Among them "The Fugitive" won several Oscar nominations last year. According to the Copyright Administration, the Nanjing production house pirated the movie "The Fugitive," which has proven to be one of the best foreign hits in China. The Guangdong and Liaoning companies have been found guilty of copying and selling video tapes of other American films. They had obtained

false authorization certificates to copy the films through certain Hong Kong companies. The director [title as heard] quotes the copyright violators as saying they believed the certificates were valid and did not realize they were fraudulent. They argued the Hong Kong side should pay for part of the damages. Accusations from U.S. movie companies on China's pirating problem have spurred the Copyright Administration to settle these cases quickly. The three publishing houses have been ordered to immediately stop selling any further pirated products and turn them over to the authorities.

The director [title as heard] says: The violators were also ordered to pay 80,000 yuan in fines. At the same time, the China Film Import and Export Corporation and the American Warner Brothers Pictures have brought these cases to court. A full investigation into the companies' illegal activities is still on the way. (Wu Haitao) says: Strengthened efforts should be imposed to get a hand of the pirating situation in the country. He says: Since the nation's copyright law in 1990 was established, the central government has made inroads to improve the copyright market. But he stresses more coordinated domestic and international efforts are needed to crack down on the problem. [end recording]

Authorities Announce Drop in IPR Violations

HK2805080295 Beijing CHINA DAILY in English
27 May 95 p 3

[Article by Xiao Ma: "IPR Fight Is Judged Success"]

[FBIS Transcribed Text] Beijing's efforts in attacking intellectual property right (IPR) violations have made some achievements, authorities claim.

They said only two cases have been reported to the Beijing Public Notary Office in the first four months of this year—compared with 200 last year.

"It clearly showed that Beijing's fight against IPR violations are showing results, or at least there were fewer complaints," Wu Fengyou, director of the Notary Office's First Economic Affairs Division, said.

Most of the applicants for IPR related cases last year were joint ventures or solely-founded overseas companies, including those from the US and Taiwan who suspected product violation.

Wu attributed the drop to China's improved legal framework and enhanced efforts at tackling the problem.

The Beijing First Intermediate People's Court also reported a drop in IPR violation suits.

In the first three months of this year the court saw a one-third drop—on last year.

Patent protection cases accounted for about 30 per cent with computer software only 8 per cent.

Other disputes were on copyright, technical contracts, trademarks and unfair competition. Around one-fifth of all cases concerned foreign litigants -including Microsoft and Walt Disney.

The IPR Court was set up in July 1993 to specially handle such cases.

CPPCC Chairman Li Ruihuan Meets Foreign Businessmen

*OW2605135095 Beijing XINHUA in English
1337 GMT 26 May 95*

[FBIS Transcribed Text] Beijing, May 26 (XINHUA) — Li Ruihuan, chairman of the National Committee of the Chinese People's Political Consultative Conference (CPPCC), has expressed the hope that foreign businessmen would further enhance their economic, trade and technical cooperation with China.

Li made the remarks in a meeting here this afternoon with a foreign businessmen delegation. The delegation is composed of executives from Soon Hua Seng Group and Krung Thai Bank of Thailand, New Oji Paper Co. Ltd. of Japan and Jaakko Poyry Group of Finland as well as officials from Mitsubishi Corp. of Japan.

The CPPCC chairman said that the investment study tour of China by the businessmen will be conducive to increasing the industrial and commercial exchanges between China and their respective countries.

He hoped that the visitors would also put forward their valuable suggestions on how to best manage China's large and medium-sized enterprises.

As a country with a vast territory and rich resources, China presents a huge market and enjoys wide prospects of development, Li said, adding that "it is our hope that businessmen from all countries would enhance economic, trade and technical cooperation with China on the basis of mutual benefit."

Kitti Damnerchanvanich, president of Thailand's Soon Hua Seng Group, said that the delegation is here to study the investment environments of Beijing, Tianjin, Shantou and Guangzhou so as to determine where and what projects they are to invest in.

The businessmen delegation arrived here Thursday at the invitation of the Liaison Committee of Taiwan, Hong Kong, Macao Compatriot and Overseas Chinese Affairs of the CPPCC National Committee, and the Liaison Committee of Overseas Chinese and Hong Kong, Macao and Taiwan Compatriot Affairs of the CPPCC Guangdong Provincial Committee.

Foreign Financing of Three Gorges Suspended

*HK2805084295 Beijing ZHONGGUO XINWEN SHE
in English 0321 GMT 27 May 95*

[FBIS Transcribed Text] Beijing, May 27 (CNS) — The foreign loan plan for the Three Gorges Project will suspend this year, mainly due to the recent increase in China's foreign exchange reserves. A total of US\$100 million which was originally borrowed from overseas is now offered by the Bank of China for the construction work.

Issuance of bonds and shares overseas for raising capital will not be carried out until next year. Preparations for the floating of securities are now being made by the Merrill Lynch and Morgan Stanley Group of the United States and Nomura Securities Company of Japan.

The big project will offer a potential market for such sectors as engineering, machinery, electrical equipment and electronic information in the international community. Large blenders, conveyance equipment and crane equipment for construction work and permanent electrical and machinery equipment including a water turbo-generator, transformers and transverters [as received] for power generation will be imported from overseas.

The volume of concrete required of the second phase work is estimated to reach 13 million cubic metres. Public bidding for the item is now open to foreign construction sectors. A dozen world-renowned concrete plants from the US, Canada, Brazil, Italy, Germany and Japan have been invited to tender bidding.

MOFTEC To Rectify Cargo Agencies

*HK2805023295 Beijing ZHONGGUO XINWEN SHE
in English 0415 GMT 27 May 95*

[FBIS Transcribed Text] Beijing, May 27 (CNS) — The Ministry of Foreign Trade and Economic Co-operation [MOFTEC] has recently notified that the departments of foreign trade and economic co-operation in various provinces and cities should rectify the market order of international cargo transportation agencies, and ban those enterprises which do not accord with examination and approval requirements and management conditions. Unlawful agents must stop their illegal business, otherwise, they will be punished according to law.

A document of the State Council has reaffirmed in a notice that it is the Ministry of Foreign Trade and Economic Co-operation which has the authority to supervise international cargo transportation agency trade across the country, and other organizations have no such authority.

The examination and approval method of the international cargo transportation agency company was made

public by the Ministry of Foreign Trade and Economic Co-operation in February of this year.

The method is composed of three major parts, in which registration capital of foreign businessmen establishing international cargo transportation agencies by means of joint venture or cooperation has to be determined by different trades as mentioned, namely registration capital for marine transportation will be US\$1 million, air transportation US\$800,000, while capital for land transportation US\$600,000.

For example, if one company intends to carry out two or more kinds of trade, the registration fee is required to be increased accordingly and the time limit for an approved business is 20 years.

The range of business includes trading and non-trading international cargo transportation agencies of imported and exported goods by marine, land and air route.

Therefore, business of the following items is permissible: taking business orders, booking, ship-chartering, airplane-chartering, various through transport of consignment, warehousing, assembling and disassembling of containers, making of shipping documents, signing and issuing the bill of landing, customs declaration, checking, insurance, settling freight and miscellaneous charges.

Companies which want to take the transportation business should possess the conditions set in China's laws and regulations on foreign-funded enterprises, engage in international cargo transportation trade, and at the same time, they must have a minimum of three years experience, professional administrative personnel, stable cargo sources, and a considerable number of customers.

Only then can the enterprise apply for registration of the enterprise legal person from the industrial and commercial administrative department, with the approval certificate of foreign-funded enterprises and approval certificate of international cargo transportation agency enterprises.

Petroleum Imports To Increase This Year

HK2905042495 Beijing CHINA DAILY (BUSINESS WEEKLY) in English 28 May-3 Jun 95 p 1

[Article by Sun Hong: "Oil-Product Imports to Increase"]

[FBIS Transcribed Text] Chinese petroleum imports will increase this year following last year's dip, one expert predicts.

"The buoyant national economy is pushing up market demand for crude oil and oil products, which cannot

be sated by production at home," Guo Peixing of the International Trade Research Institute said.

According to ambitious government plans, China will expand its automobile and chemical industries in coming years, which suggests a notable rise in the consumption of oil and oil products.

Imports of petroleum products are especially necessary because China's oil-refinery industry is not very advanced, Guo said.

To cope with the booming petrochemical and fertilizer industries, China imported 400,000 tons of naphtha last year, compared with 10,000 tons in 1992. That growth is likely to continue, he said.

China's crude oil imports increased from 2.9 million tons in 1990 to a peak of 15.6 million tons in 1993, and its import of petroleum products expanded from 7.68 million tons in 1992 to a record 17.4 million tons in 1993.

However, the wildly high imports of 1993 caused an oversupply and dealt a blow to China's oil producers, which eventually led to government restrictions on petroleum imports, Guo explained.

As a result, China's petroleum imports witnessed a 23.6 per cent drop last year from 1993.

"However, supply and demand in the sector are, in general, balanced in China today," Guo said.

He said if domestic crude production could be guaranteed, export opportunities are good—especially considering the economic recovery of Western Europe and the United States, and the strong growth in some Asian countries.

Last year the global consumption of crude oil was 68.2 million barrels per day, compared with 67.1 million barrels in 1993.

Due to the thirsty demands and other factors including the recent announcement of the Clinton administration to ban importing oil from Iran, petroleum prices are rising in world markets. Iran produces 3.6 million barrels of crude oil per day.

During the January-April period, world oil prices reported a gain of 17 per cent from the start of the year.

Guo said the trend is likely to continue if the Organization of Petroleum Exporting Countries does not raise the daily oil production ceilings of its members.

In February 1993, world oil prices dropped to a historic low. Since then, prices have inched up, increasing 15.3 per cent at the end of last year.

Last year, China exported 1.899 million tons of crude oil, mainly to Japan, the United States and the Republic of Korea.

In 1993, it exported 1.943 million tons of crude oil.

Organ To Negotiate Protection of Taiwan Investment

HK3005060395 Beijing ZHONGGUO XINWEN SHE in Chinese 1324 GMT 24 Apr 95

[FBIS Translated Text] Beijing, 24 Apr (ZHONGGUO XINWEN SHE)— Wang Zhaoguo, vice chairman of the National Committee of the Chinese People's Political Consultative Conference, and director of the State Council's Taiwan Affairs Office, said today that, on the basis of reciprocity, the mainland is prepared to authorize an organ to negotiate and sign a nongovernmental agreement on the protection of Taiwan investment.

Wang Zhaoguo made the above-mentioned remark this afternoon in the Great Hall of the People, when meeting Taiwan's "industrial and commercial construction research society's economic and trade delegation to the mainland," led by Sun Tao-chuan.

Chen Yunlin, executive deputy director of the State Council's Taiwan Affairs Office, attended the meeting.

Wang Zhaoguo said that cross-strait relations have developed rapidly in the past several years, and the number of personnel travelling across the strait has continuously increased, reaching 7.5 million so far. In the area of cross-strait economic and trade cooperation, due to the reform and opening up of the motherland for more than a decade, and because the country and localities have special legislations to protect Taiwan investment, in the past several years, more and more Taiwan businessmen have come to invest, and the investment pattern has developed from labor intensive to capital and technology intensive, and the tendency of Taiwan businessmen coming to make investments has become irreversible.

Wang Zhaoguo said: We agree that when the two sides of the strait cooperate, both sides can give play to their strong points. The motherland is rich in resources, and its economy is developing rapidly and steadily, so it has very good prospects, the mainland market should not be underestimated and is looked upon with favor; in addition, the price of land here is low, it is easy to obtain land, and the quality of the labor force is also very good. At present, the leaders of the two sides all advocate and support cross-strait economic and trade cooperation. This has drawn the attention and interest of the friends of industrial and commercial circles. When investors come to invest and trade, so long as they meet

the relevant regulations, the Taiwan Affairs Office will actively support them, coordinate for them, and help the Taiwan-funded enterprises.

Taiwan's "industrial and commercial construction research society's economic and trade delegation to the mainland" has over 60 members, who arrived in Beijing yesterday. Sun Tao-chuan said that, every year, the "industrial and commercial construction research society" would organize delegations to visit the mainland, to examine and discuss the problems of economic and trade cooperation between the two sides of the strait. It primarily discusses with the relevant departments the problems such as investment protection, sale of products made by Taiwan-funded enterprises on the mainland, wholesale, and transportation.

Wang Yonghai, Xing Kuishan, and Liu Zhengtao, assistants to the director of the Taiwan Affairs Office; and Zhang Quancheng, secretary general of the Association for Relations Across the Taiwan Straits, as well as Zhao Zhengyu, its deputy secretary general, also attended the meeting.

Fujian Makes Progress in Foreign Trade

OW2905144995 Beijing XINHUA in English 1419 GMT 29 May 95

[FBIS Transcribed Text] Fuzhou, May 29 (XINHUA) — East China's Fujian Province has made great progress in the development of its foreign trade.

Last year the province was ranked No.1 in the country in light of the number of its overseas contracted projects and the contracted value in its overseas labour service.

Statistics show that in the first four months of this year the export volume of the province reached 2.423 billion US dollars-worth.

Meanwhile, 678 foreign-funded enterprises have been newly set up in the province this year.

Jia Qinglin, secretary of the Chinese Communist Party's provincial committee, said that this year the province will further improve its investment environment, especially the transportation and power supply conditions.

Heilongjiang To Use ADB Loans for Power Projects

OW3005082995 Beijing XINHUA in English 0816 GMT 30 May 95

[FBIS Transcribed Text] Shenzhen, May 30 (XINHUA) — An international consortium is to provide 55 million US dollars in loans for a power project in northeast China's Heilongjiang Province, according to a contract signed here Monday [29 May].

The 15-year Parallel Co-financing Facility loan, arranged by the Asian Development Bank (ADB) through the People's Bank of China (PBOC), is to provide financing for the Qitaihe Thermal Energy and Environmental Improvement Project.

"This is the first parallel co-financing agreement the ADB has ever made for a Chinese project," said Chen Yuan, deputy governor of the PBOC, the central bank, at the signing ceremony.

Total investment for the Qitaihe project, which will generate more electricity and improve the air quality for Heilongjiang, in a cost-effective way, is expected to reach 540 million US dollars, according to official sources.

The ADB has already decided to provide 165 million US dollars in loans at an early stage.

In co-operation with the ADB, the Bank of China has put together five loans, by co-financing, worth 313 million US dollars since 1991, said the deputy governor of the Dai-Ichi Kangyo Bank, one of the seven financial institutions in the consortium.

The other six are Dresdner (South East Asia) Limited, Mitsubishi Bank, the Mitsubishi Trust and Banking Corporation, the Sumitomo Trust and Banking Co. Ltd, and the Zenshinren Bank, all from Japan, and the Korea Development Bank.

Shanghai Expands Commercial Contacts Overseas

OW3005064095 Beijing XINHUA in English
0622 GMT 30 May 95

[FBIS Transcribed Text] Shanghai, May 30 (XINHUA) — The Shanghai commerce sector is attracting an increasing amount of foreign investment and at the same time expanding its own presence overseas.

The sector is trying to introduce 80 projects involving overseas investment of 200 million US dollars, to independently process exports worth 140 million US dollars, and to establish 10 more businesses overseas, a municipal official in charge of commerce said.

The latest statistics show that by last February, commercial contacts in China's largest municipality had produced 410 overseas-funded projects involving a total of 1.32 billion US dollars, with 610 million US dollars pledged by overseas investors.

The annual overseas investment from 18 countries and regions, and often from the world's leading multinationals, soared to 5.63 million US dollars in 1994, from 1.58 million US dollars in 1992, municipal commercial officials say.

The scope of overseas contacts for Shanghai has gone from commerce and retailing to commercial investment funds, management consulting, computerization, and automobile maintenance and service.

The commercial sector independently handled exports worth 120 million US dollars in 1994, a 140 percent increase over the previous year, and four pillar businesses, including Shenhong and Shenda, exceeded 10 million US dollars in exports.

The sector has so far established over 40 businesses overseas, more than 60 percent of them already showing a profit.

The Shanghai Aquatic Products Company, for example, has opened 17 companies in 10 countries, with a business volume reaching 30 million US dollars and profits amounting to 1.5 million US dollars in 1994.

The sector sent 180 delegations, consisting of more than 800 people, to foreign countries to gain experience, and it also received 15 foreign delegations to the municipality.

These exchanges have also greatly helped to develop chain stores, direct sales, supermarkets, convenience stores, and vending machines.

*Former Official Views Sino-German Trade

95CE0368B Beijing GUOJI MAOYI [INTERTRADE]
in Chinese 6 Mar 95 No 3, pp 18-19, 37

[Article by Zhang Peiji (1728 1014 1015), former economic and trade counsellor with the rank of minister, Chinese Embassy in Germany: "The Development of Sino-German Economic and Trade Relations and Prospects for Cooperation"]

[FBIS Translated Text] I. Development of Sino-German Economic and Trade Relations in 1994

1. High level visits gave powerful impetus to the development of bilateral economic cooperation.

Following the visit to China of German Prime Minister Helmut Kohl in November 1993, Chairman Qiao Shi visited Germany in early 1994. In July, Premier Li Peng led a government delegation on a visit to Germany. This delegation was accompanied by a huge business contingent which included more than 140 chief executives of major Chinese concerns. During the period of Premier Li Peng's visit to Germany, after full preparation, Chinese and German enterprises signed a total of 53 contracts, agreements, and letters of intent having a value of \$4.52 billion, thereby laying a solid foundation for the development of future bilateral economic and trade cooperation.

2. Further expansion of exchanges between provinces and states and between sectors to promote bilateral economic and trade cooperation.

Incomplete statistics show that during 1994, 20 persons in charge from 18 Chinese provinces and municipalities visited Germany and that 30 people in positions of authority in 25 ministerial commissions of the State Council visited Germany. Persons in responsible positions in nine German states visited China. This included visits by the ministers of economics of Bavaria, Hesse, Hamburg, Rhine-Westphalia, Thuringia, and Mecklenberg. Berlin and Beijing signed a friendly cooperation agreement.

These exchanges increased mutual understanding and established and developed relationships. A number of economic contracts and cooperative letters of intent were signed.

3. Both the Chinese and German governments have taken positive actions for conscientious implementation of the agreements concerned, thereby creating favorable conditions for the expansion of bilateral cooperation.

1) As a follow-on to negotiations and preparations, during Premier Li Peng's visit to Germany, the two governments formally signed four documents. They were: joint statements on greater cooperation in the vocational education field, on infrastructure cooperation, and on establishment of a Sino-German railroad work group, and the 1994 Sino-German fiscal cooperation accord.

2) During the second half of 1994, a series of bilateral conferences was held in Beijing to study implementation of the applicable government agreements. At these conferences, a full exchange of views occurred about the expansion of cooperation in several important fields. The conferences were a Sino-German vocational education coordination group conference, a Sino-German infrastructure steering committee conference, a Sino-German economic cooperation and investment committee conference, and a Sino-German railroad work group conference.

3) Acting on a resolution of the eighth meeting of the mixed committee on Sino-German cooperation, a Sino-German standards agreement group meeting was held in both Munich and Beijing. This meeting drafted a preliminary trade and investment standards contract.

4) A German industrial park project started to move ahead in the Tianjin Economic and Technical Development Zone, with the German Ministry of Economic Cooperation providing fiscal support for this project, and the German East Asia Association providing fur-

ther consulting and investigation. In response to the invitation of the German Ministry of Economics, persons in position of authority and experts from the Tianjin Economic and Technical Development Zone made a familiarization tour of major German cities in November. This gave German concerns a better understanding of Tianjin and gave impetus to the building of Germany industries.

5) The German Chamber of Industry and Commerce set up an economic representative office in Shanghai.

4. Active promotion of small business cooperation in both countries to advance in-depth development of bilateral economic cooperation.

A German-Chinese small-business-cooperation workshop was held in Bonn during June 1994. German Minister of Economics Rexrodt and Shi Guangsheng, Chinese foreign economic relations and trade deputy minister, chaired the workshop. Chinese attending the workshop included 67 representatives of small and medium-sized concerns in Henan, Tianjin, Qingdao, and Yangzhou. More than 200 people from German concerns attended. Development of cooperation in machinery manufacture, electronics, the chemical industry, and automobile spare parts formed the focus of discussions. A total of 131 cooperative intents were attained. The meeting decided to hold the second Sino-German small and medium-sized business cooperation workshop in China in 1995.

5. Tremendous growth of bilateral trade and German business investment in China continues.

Chinese Customs statistics show Sino-German trade in 1994 totaled \$11.898 billion, up 18.8 percent from the previous year. This included Chinese exports totaling \$4.761 billion, up 20 percent from the previous year, and Chinese imports totaling \$7.137, up 18.1 percent from the previous year.

Direct German business investment in China continues to increase. Cumulative statistics as of the end of June 1994 show 714 German investment projects in China. Agreed investment was \$1.89 billion; actual investment was \$618 million, which ranks first among European countries.

II. Main Problems in the Development of Bilateral Economic and Trade Cooperation

1. Strict EC limitations on Chinese imports.

In 1994, the EC unilaterally decided to place quota limitations on seven categories of Chinese export commodities and some silk fabric manufactures. It conducted antidumping investigations of Chinese exports,

with the number of cases in which antidumping tariffs were levied increasing greatly. It also revised its preference policy. After many discussions and representations, nothing has changed for most goods with the exception of some silk manufactures on which agreement was reached. This seriously hampers exports of Chinese goods and hurts the interests of European consumers.

2. High German product prices, poor financing conditions, and lack of competitiveness remain the main obstacles to Germany's development of exports to China and the expansion of investment cooperation.

Germany produces good quality goods, its technology is advanced, its technology transfer is fairly open, it handles matters in a businesslike way, it has a serious demeanor, and it provides good service abroad. Germany has a rather high reputation among Chinese concerns. Nevertheless, its prices are generally too high, and financing terms are harsh. It is a far cry from Japan, the United States, and other western European nations in this regard. In the intensively competitive Chinese market, some German firms are frequently bested. Therefore, despite the remarkable advances Germany has made during the past several years in exporting to China, by comparison with Japan, the United States, and some other countries, it has not advanced quickly.

3. Investment in China is not large.

Large German firms have drawn up plans to expand cooperation with China, and small and medium-sized German concerns are also actively seeking to develop cooperation with China. Exchanges between firms in the two countries are frequent, but real investment progress has been slow. Since 1993, it has been mostly small and medium-sized projects that have been approved, and the number of them has increased greatly, but the amount of money involved has not been large. Some large projects have dragged on and on with nothing being done. Germany's real investment in China in 1993 was less than other western European nations.

4. Improvement of the make-up of China's exports to Germany needed.

Chinese exports to Germany today consist mostly of knit goods, clothing, shoes, toys, electronics, and other light industrial goods. Most are sensitive commodities subject to numerous trade restrictions for which market competition is intense. Further expansion of such exports is very difficult. Furthermore, approximately one-third of exports are transshipped through Hong Kong, increasing indirectness and costs.

5. China's foreign trade concerns must maintain the principle of "abiding by contracts and keeping

promises." It must guarantee export product quality, deliver goods on time, and scrupulously fulfill contracts.

III. Suggestions for Further Expansion of Cooperation

1. Relations between China and Germany are friendly; there are no lingering historical problems between them; and high level talks in recent years have further promoted the development of bilateral relations. Sino-German relations have entered a new era of all-around and pervasive development.

2. The Chinese and German economies are strongly complementary. Potential for the development of economic and trade cooperation is very great. Germany is an important European partner in economic and trade cooperation. Germany lacks resources, its wage costs are high, and it concentrates on the development of new and high technology. It imports large quantities of food, raw materials, and consumer goods from abroad. These are the very commodities that are China's main exports. Germany's machinery manufacturing industry is well-developed, with its main strengths being in infrastructure industries including energy, metallurgy, motor vehicles, the chemical industry, transportation, and telecommunications. These industries are in the fields to which China is giving priority for development. Therefore, Germany is an important export market for China, and it is also an important source for China's importation of technology. Active development of bilateral economic and trade cooperation is in the interest of both countries. This holds important significance for hastening China's modernization and improving the technical level of China's industry.

3. Germany is located in the heart of Europe; it is an important member of the EC; it has close relations with European countries; and transportation and communications are readily accessible. Germany can serve as an avenue for the development of multilateral cooperation, and for the further expansion of economic and trade relations with central, eastern, and western European countries.

4. With the rapid development of the economies in the East Asia region, Germany has formulated a new Asia policy. It has taken positive action to expand economic and trade cooperation with Asia, particularly China. German firms pay very close attention to the potentially enormous and real Chinese market, and they are very interested in developing cooperation with China. In 1994, the German Chamber of Industry and Commerce and the Bavarian Industrial Coalition set up consulting agencies in Shanghai to help firms in both countries expand cooperation. They hope that various

kinds of economic cooperation will stimulate German exports of technology and equipment, thereby increasing Germany's share of the China market. The key lies in whether German firms can adapt to the peculiarities of the China market, adopt flexible methods, and increase competitiveness. China should further improve the investment climate and promptly study solution to problems in attracting foreign capital.

5. Germany is the world's second largest importing country, with annual imports totaling \$400 billion, approximately half of which come from EC countries. This is a very large import market. Furthermore, Germany maintains a free trade policy. It stands for open imports. We must do more investigation and study of the German market; improve the quality of our light and textile products; increase patterns, styles, and varieties; actively develop new export commodities; and devote a major effort to development of nonquota, nonsensitive commodity exports. German importers demand high quality, and trustworthiness is very important to them. Further expansion of exports to Germany will require Chinese exporters to fulfill contracts scrupulously to maintain their foreign reputation.

6. Every year Germany holds numerous well-known fairs. Participation in these fairs can widen understanding of international market information, establish and develop customer relations, and further promote bilateral economic and trade cooperation. Chinese firms that participate in these fairs must prepare well in advance, conduct publicity abroad, and line up customers in order to produce decent results.

In recent years, some Chinese provinces and cities have held comprehensive export commodity fairs or talks to attract business investment, which have been fruitful. However, because of their comprehensive nature, the overly broad range of these fairs and talks and insufficient advance preparation, usually not many customers have attended them, so actual results have been far from ideal. This should be a cause for concern and real improvement.

7. Chinese-owned agencies based in Germany have seen substantial spread. They have played a definite role in promoting bilateral economic and trade cooperation, particularly in the expansion of exports to Germany. However, most agencies are scattered, do not have sufficient manpower, and operate in a fairly narrow area. They have not made sufficient progress in opening up German markets. Units sent out from China must improve leadership, augment forces, and play to the full the role of agencies stationed abroad.

Sino-German economic and trade relations will see continued rapid development in 1995.

Following the October 1994 German general election, the Christian Democrat-Social Democrat- Free Democrat coalition continues to hold power jointly. Prime Minister Kohl continues in office, and Germany will continue active promotion of Sino-German bilateral relations, particularly the development of economic and trade relations.

During 1995, the economies of all the world's regions will grow in tandem, and world trade will increase fairly rapidly. The German economy has already showed marked revival, Germany's national economy exhibiting higher growth than anticipated in 1995. China's economy will continue fairly high speed growth, and inflation will be brought under control. All this creates a favorable climate for further development of bilateral economic and trade cooperation.

During the past several years, the Chinese and German governments have signed several important agreements to promote bilateral economic and trade cooperation, and business firms in both countries have signed a number of contracts, agreements, and letters of intent. These agreements and letters of intent await further study before implementation. The two sides must work together to overcome difficulties, with their solid work promoting the signing of formal contracts for fulfillment of agreements.

During 1995, the ninth meeting of the Sino-German economic cooperation mixed committee and the second meeting of the Sino-German small and medium-sized business cooperation workshop will be held in Beijing. German Minister of Economics Rexrodt will personally lead an attending delegation. This is an important activity, and I believe that these conferences will promote further development of bilateral economic and trade cooperation. I offer advance congratulations for the success of the conferences.

Agriculture

Administration Suspends Rice, Corn Exports

HK2905082895 Hong Kong ZHONGGUO TONGXUN SHE in Chinese 0639 GMT 25 Apr 95

[FBIS Translated Text] Beijing, 25 Apr (ZHONGGUO TONGXUN SHE)— The State Grain Reserve Administration [SGRA] recently announced the immediate suspension of the export of rice and corn in order to stabilize the domestic prices of grain and edible oil.

The circular called on state grain departments to control 70-80 percent of grain and edible oil in the circulation field, and to conscientiously implement standard prices set by the state.

The SGRA also called for resolutely curbing speculation on grain, and gradually implementing the state standard prices in nonstate markets. In addition to immediately stopping the export of rice and corn, the export of peanuts should also be limited in an appropriate way.

Ministry Says Situation 'Generally Good'

HK2905041995 Beijing CHINA DAILY (BUSINESS WEEKLY) in English 28 May-3 Jun 95 p 8

[Article by Wu Yunhe: "Farmers Endeavor To Meet Aim"]

[FBIS Transcribed Text] China should strive for an increase of 2.5 million tons in grain yields during the summer harvest, the Ministry of Agriculture said. But by its own admission several factors are working against the goal including drought, frost damage, insects and unfinished field work.

Ministry experts said situations have been "generally good" in the four major agriculture products—grain, cotton, edible oil crops and sugar—in fields across the nation.

Official sources reiterate that there is a balance of supply and demand for more than 80 per cent of farm produce in China, although food prices have jumped more than 50 per cent in the market this year.

"Grain, cotton, edible oil crops and sugar, though they only account for 20 per cent of the country's farm products but the most important items, are in short supply," the ministry experts explained.

The State Statistics Bureau said that grain output dropped 4.6 million tons last summer from 1993 to reach 104 million tons.

Any fluctuation in the country's agricultural production this summer will lead to a strong reaction from the country's price indexes, observers say.

Ministry officials conceded that even though there are only 60 days before the final news comes about the summer harvest, some problems remain and pose a threat to the summer production in fields.

In the grain-producing provinces, some of the spring-sowing tasks have not yet been fulfilled, the ministry officials say.

Bad weather, especially in North China, has brought droughts to the fields.

Latest official estimates showed that by the end of March, more than 6.33 million hectares of summer crops have been hit by drought.

Spring sowing acreage in the countryside makes up about 60 per cent of a year's farmland for grain, cotton, edible oil crops and sugar production.

Winter wheat and rapeseed crops in the provinces along the Yangtze Yellow and Huaihe rivers suffered freezing of different degrees in February. With weather warming nationwide, they are now growing fast, adding more tough field work to farmers.

Some local agricultural officials reported that plant diseases and insects have also become a problem in some wheat fields.

Ministry officials are urging local agricultural departments and farmers to closely monitor weather conditions to prepare for any attack to cereal and cash crops in fields.

More than 23 per cent of the country's grain output and nearly 50 per cent of the edible-oil crops are reaped during the summer.

The ministry has sent 300 officials to the 100 major grain and cotton producing counties in 25 provinces and regions for on-the-spot inspections.

Their major task is to ensure farmers' interests in agricultural production and to report field conditions to the central government, the ministry said.

Think Tank Doubts Plan To Boost Grain Output

HK2905053795 Hong Kong SOUTH CHINA MORNING POST in English 29 May 95 p 10

[By Willy Wo-Lap Lam]

[FBIS Transcribed Text] China's goal of boosting grain production to 500 billion kilograms by the end of the decade has been thrown into doubt in a recent report by an official agriculture think-tank. Under the so-called "500 billion kilogram engineering" programme, grain output should increase from about 450 billion kilograms in 1995 to 500 billion kilograms during the Ninth Five-Year Plan of 1996 to 2000.

China's grain production dropped 2.6 percent to 444.6 billion kilograms last year, and the target this year is 450 billion to 455 billion kilograms. Since last year, Beijing has revived the old slogan of agricultural self-sufficiency and "grain as the key link of the economy".

But according to the internal study, the goal is possible only with vastly expanded land for rice and wheat—and raising the per-hectare yield through advanced technology. Despite the restoration of executive orders forcing each province to devote a fixed amount of land to grain, agronomists are pessimistic about redressing the trend of arable land loss.

Latest figures show that, from 1991 land used for grain fell by almost 60 million mu (four million hectares) to 1.65 billion mu in 1994, below what the Ministry of Agriculture calls the "dangerous threshold". Official agronomists said it would already be difficult for the state to maintain this level through the Ninth Five-Year Plan period. They are also concerned that the potential for increasing grain yields has been exhausted while margins for improvement get smaller every year.

It took the country nine years — 1984 to 1993 — to achieve the latest "50 billion kilogram engineering" programme. The annual rate of increase in the early 1990s was a mere 0.4 percent.

Agronomists were pessimistic about the improvement in yield also because of decreasing funds for technology. This is despite estimates that at least 30 percent of increase in yield is attributable to technological input. In 1991, outlay for improvement in agricultural infrastructure was four per cent of total investments in infrastructure. The rate dropped respectively to 3.7 percent, 2.8 percent and 2.6 percent in 1992, 1993 and 1994.

Training of technical personnel remains inadequate.

Official Urges Restoring State Grain Shops

HK2605135995 Hong Kong ZHONGGUO TONGXUN SHE in Chinese 1029 GMT 29 Apr 95

[FBIS Translated Text] Hong Kong, 29 Apr (ZHONGGUO TONGXUN SHE) — A day ago, a Chinese domestic trade ministry official in charge of grain matters said it is necessary to restore major grain shops in cities and towns that have been contracted out to individuals.

In recent years, following the opening of China's grain market, state-owned grain shops have been in difficulty as a result of the serious impact from individual grain dealers, and consequently some grain sellers have had problems securing their food. In order to save themselves, except for a small number of grain shops that have shifted to other lines of business, many grain shops throughout the country have contracted out or have them run privately. According to statistics, this type of grain shop accounts for one-third of the total.

The domestic trade ministry official held: "By doing so, they have produced some economic efficiency, but have seriously weakened state-owned grain shops as the main channel of grain supply. It follows that state-owned grain shops have difficulties playing a full role in keeping prices down and stabilizing the market.

He said that restoring major grain shops that have been contracted out to individuals or that currently are run privately does not mean that we will revert to the old

practice. State-owned grain shops should develop as convenience shops and chain shops in the future.

Rural Enterprises Boost Farmers' Income

OW2905100495 Beijing XINHUA in English 0939 GMT 29 May 95

[FBIS Transcribed Text] Beijing, May 29 (XINHUA) — Township-run enterprises have become the biggest source of income for Chinese rural residents, according to the Ministry of Agriculture.

An official of the Ministry's Rural Enterprises Bureau said that township-run factories paid a total of 300.3 billion yuan in wages 1994 to farmers who became workers.

The factories have paid a total of 1 trillion yuan in wages to workers over the past six years, the official said, noting that they have contributed 65 percent of the increased cash earnings of rural residents over the past decade.

Such enterprises now produce two-thirds of the total rural output value.

Average wages of workers in such enterprises were 2,892 yuan in 1994, up 572 yuan from the previous year, the official said.

Township-run factories paid 159.2 billion yuan in taxes to the government in 1994, a 50 percent increase, he said, adding that each worker paid an average 1,891 yuan in taxes, up 668 yuan.

Shaanxi Farmers Upgrade Irrigation Projects

HK3005061195 Beijing CHINA DAILY in English 30 May 95 p 3

[Article by Liang Chao: "Farmers Cover Cost To Upgrade Irrigation"]

[FBIS Transcribed Text] Thousands of farmers in Northwest China's Shaanxi Province have invested in construction of irrigation projects this year to ensure their harvests.

More than 20,000 farming households in the province have paid a record total of 76 million yuan (\$9.2 million) for the construction, renovation, repair and management of various water conservancy projects.

Liu Shuji, director of the province's Bureau of Water Resources, said in the provincial capital of Xian that farmers are no longer simply depending on the State.

In Weinan Prefecture, Liu said some 10,000 farming households have invested more than 21 million yuan (\$2.5 million) to collectively build 40 pumping stations

and to line 86 kilometres of irrigation channels with cement.

The channels can irrigate more than 4,100 hectares of farmland and supply drinking water for more than 17,500 locals.

Such non-government investment is now taking shape in the province as farmers in other counties, such as Chengcheng, Tongguan and Lueyang, are following suit.

Liu attributed the funding to farmers' increasing awareness of water conservation's key role in ensuring farm harvests. The province's new preferential policy also encourages farmers to run water conservancy facilities through co-operative management. They can be run by several households, by individuals or by share holders.

The move has revitalized at least one-third of the province's motor-pumped wells, pumping stations, small river dams and irrigation ditches that were long in disrepair. They're once again playing important roles in the parched countryside.

This, Liu said "is vital for helping the provincial government to ensure a bumper harvest this year, as the province has been hit by the worst drought in 50 years this year."

It is also a major step toward reforming the old investment mechanism and management models of water conservancy projects, Liu said.

In China, major water conservancy projects —irrigation, water supply facilities and small hydropower stations— used to be built and managed by the State or by local authorities.

But more of them, mainly built in the 1950s, have fallen into neglect as repairs were postponed because of the State's financial shortage or because of bad management.

To ensure normal operations and better efficiency, many projects were auctioned off to farmers or contracted by farmers for further renovation for at least 15 years.

Severe Drought Threatens Tibet's Crops

OW2905152195 Beijing XINHUA in English
1450 GMT 29 May 95

[FBIS Transcribed Text] Lhasa, May 29 (XINHUA)—The Tibet Autonomous Region in southwest China has been hit by a severe drought which threatens this year's crops.

Since early May the main crop-growing areas along the Yarlung Zangbo River, known as "Tibet's lifeblood", have seen a rise in temperature and a drop in rainfall by 40 percent to 100 percent.

The water level of the river has dipped by one third compared with the same period in a normal year.

Sowing has not yet begun on over 9,333 ha [hectares] of land due to the absence of rain, and about 666 ha of cropland is suffering from drought. Pests have begun invading some places and are spreading to more areas.

The situation is bound to get worse, as the rain shortage will span the later part of May and the early part of June, and there will be routine summer dry weather running from late June to the end of July, according to the local meteorology bureau.

The regional government has called on the farmers to go all out to fight against the drought and pests. River beds, reservoirs and irrigation ditches have been dug or repaired. Pumps and other irrigation equipment are being put to their best use.

The local government plans to plant 212,000 ha of crops this year, including 188,000 ha of wheat and highland barley.

Southwest Region

Commentary Urges Struggle Against Dalai Clique

OW2805114895 Lhasa Tibet Television Network
in Mandarin 1200 GMT 25 May 95

[Announcer-read station commentary from the "Regional News Hookup" program: "Seize Opportunities, Unite, and Vigorously Forge Ahead"]

[FBIS Translated Text] The Third Session of the Sixth Tibet Autonomous Regional People's Congress (RPC) and the Third Session of the Sixth Tibet Autonomous Regional Committee of the Chinese People's Political Consultative Conference (CPPCC) have ended victoriously after successfully completing all items on the agenda. We extend our warm congratulations.

Guided and inspired by the guidelines of the third forum on work in Tibet, convened by the Central Committee, and the sixth plenary enlarged session of the fourth regional party committee, deputies and CPPCC members attending the two sessions, carrying the wishes of the 2.3 million people of all nationalities in the region, discussed the important matters of developing the economy and safeguarding social stability in Tibet and angrily denounced and exposed the Dalai clique's political schemes of undermining political stability and unity in our region, of obstructing our region from speeding up the development process, and of continuing to engage in splittist activities by taking advantage of the issue over the reincarnation of the Panchen Lama. Through the concerted efforts of the deputies and the CPPCC members, the two sessions were successfully convened, and the deputies and CPPCC members were able to have a better understanding of the situation, to enhance their knowledge, to unify their thinking, to pluck up spirit, and to know what their tasks are. The two sessions were a mobilization meeting to further study and implement the guidelines of the third central forum on work in Tibet and a democratic meeting for promoting unity, seeking truth from facts, and encouraging all to work hard. The two sessions will play an important role in unifying the ideological understanding of the leading cadres at all levels, all party members, and people of all nationalities in the region, in enabling them to know clearly what their objectives are, in enhancing their fighting power, and in promoting economic development and all-round progress in all fields of work in our region.

The third forum on work in Tibet, convened by the Central Committee, is a new milestone of historical development in Tibet. The forum set the strategic objectives

of extraordinary economic development in our region: By the end of this century, Tibet's gross regional product will reach 6.95 billion yuan, with an annual increase of about 10 percent; Tibet's peasants and herdsmen will basically free themselves from poverty; and the majority of the people will enjoy a moderate standard of living. The report on the work of the government, delivered by Chairman Gyaincain Norbu, is a practical and inspiring report that unites the people and encourages them to forge ahead. It set a 10-percent growth target for our region's economic development and a gross regional product of 4.64 billion yuan this year.

A ten thousand-li journey is started by taking the first step. Don't let an opportunity slip; it may never come back. In realizing the strategic objective of economic development set by the third forum on work in Tibet, convened by the Central Committee, and the government work report of this year, we are faced with opportunities as well as challenges. The central authorities are concerned about Tibet; the whole nation is supporting Tibet. We should seize the opportunities, unite, and forge ahead vigorously. Under the guidance of the theory of building socialism with Chinese characteristics and the party's basic line, we should use the guidelines of the third central forum on work in Tibet to guide the whole situation, work in a down-to-earth way, push ahead reform, speed up economic development under the prerequisite of optimizing the economic structure and raising efficiency, work hard to improve the living standard of the people, promote all-round social progress, and safeguard stability in the entire region. Tibet's stability involves the nation's stability. The Dalai Lama is the principal root cause affecting Tibet's stability. Cadres at all levels, especially the leading cadres, in the region must be clear about this. They should resolutely maintain unity with the party Central Committee, and wage a resolute struggle against the Dalai clique until final victory.

We hope the people of all nationalities throughout the region will seize the opportunity, advance by taking advantage of the current situation, rally closely round the party Central Committee with Jiang Zemin as the core, implement the guidelines of the third forum on work in Tibet and of the sixth plenary enlarged session of the fourth regional party committee under the direct leadership of the regional party committee, work hard in unity, advance in a pioneering spirit, and strive to fulfill all tasks and bring about new situations in all fields of work in our region this year.

Further Reportage on Li Teng-hui's U.S. Visit

Spokesman Condemns Visit

OW2605135995 Beijing XINHUA Domestic Service
in Chinese 1042 GMT 26 May 95

[FBIS Translated Text] Today, a spokesman for the State Council Taiwan Affairs Office issued a statement on the matter of Li Denghui's [Li Teng-hui] planned "private visit" to the United States. He strongly censured this act of disregarding the Chinese nation's righteous cause and of the brazen creation of "two Chinas" and "one China, one Taiwan." He also expressed great indignation over the U.S. Government's interference in China's internal affairs, undermining the great cause of China's peaceful reunification, and openly allowing Li Denghui's activities in the United States.

The same spokesman pointed out that great efforts made in recent years by the compatriots on both sides of the strait to promote the development of cross-strait relationship have created conditions for peaceful reunification. Prompted by the people on both sides of the strait, the Taiwan authorities have also begun to show an active attitude toward the development of cross-strait economic and trade ties and in the area of various exchanges and contacts. Regretfully, Li Denghui has lately been enthusiastic about "vacation diplomacy" and "transit diplomacy," spared no effort to use a massive amount of money for lobbying efforts, and made use of those forces in the United States who try vainly to obstruct China's reunification and to create "two Chinas" and "one China, one Taiwan." These acts of Li Denghui will undoubtedly encourage "Taiwan independence" forces to undermine the process of peaceful reunification even more brazenly and encourage some foreign forces to further get involve in the Taiwan issue and to interfere in China's internal affairs. These acts of using foreigners to enhance one's dignity and of damaging the interests of the entire Chinese nation will naturally be condemned and opposed strongly by the Chinese Government and all the Chinese people.

The spokesman said to carry out the attempt of creating "two Chinas" and "one China, one Taiwan," the Taiwan authorities advocate "the Republic of China on Taiwan is a nation with independent sovereignty," "an independent international legal person," and strive to gain "an international representative right" equal to that of the People's Republic of China; they use this to steal the beams and pillars and replace them with rotten timber and to confuse the public. As all know, there is only one China. Taiwan is a part of China's territory. We do not object to Taiwan developing people-to-people economic and cultural relations with foreign countries. At

the same time, we have always opposed Taiwan authorities' so-called "expansion of international living space" activities with the aim of creating "two Chinas" and "one China, one Taiwan." Solutions to political differences between the two sides should be sought through talks under the "one China" principle. Our position in this regard is firm and reasonable, which has gained the understanding and support from more and more Taiwan compatriots.

The spokesman stressed that realization of the complete reunification of China is the common desire of all the Chinese people. Any attempt to seek and create "two Chinas" and "one China, one Taiwan" will ultimately end in failure. The Taiwan authorities would be well advised to immediately change their course and to genuinely return to the position of "one China."

Tang Shubei Views Visit

HK2705073095 Beijing ZHONGGUO XINWEN SHE
in Chinese 1352 GM 26 May 95

[By staff reporter Lu Junjun (7120 8823 8823): "Tang Shubei Says the Present Task of ARATS and SEF Is To Expand Cross-Strait Common Ground and Interests"]

[FBIS Translated Text] Taipei, 26 May (ZHONGGUO XINWEN SHE) — In an interview with reporters today, Tang Shubei, executive vice chairman of the Association for Relations Across the Taiwan Strait (ARATS), pointed out: Given that it will be difficult to solve political differences between the two sides of the strait in a short time, the task of the ARATS and the Strait Exchange Foundation (SEF) is to expand cross-strait common ground and interests and actively promote the holding of the second "Wang-Gu [Ku] Talks." Cross-strait economic cooperation must not be affected by political differences between the two sides.

At a news conference held here this afternoon, Tang Shubei talked about what effect the U.S. decision to grant Li Denghui [Li Teng-hui] permission to visit the country would have on cross-strait exchanges. He said: There are great differences between China and the United States on this issue. There are also differences between the mainland and Taiwan. As these differences are political differences, they should be solved through political talks. They cannot be solved by ARATS and SEF. He added: The two sides have differences, but they also share common ground. They may discuss and exchange views on issues like strengthening cross-strait economic cooperation and cultural exchanges, signing non-governmental investment protection agreements, protecting intellectual property rights, handling Hong Kong-Taiwan relations after 1997, and so on. The task of our ARATS is to actively promote the holding of

the second "Wang-Gu Talks" and expand cross-strait common ground and interests. He expressed the hope that the two sides would one day have political contacts and hold political negotiations to solve these differences.

In an earlier interview on the plane today, Tang Shubei also said: The leaders of the two sides issued statements this year, in which marked political differences can be discerned. But the two sides share the common ground of strengthening economic exchanges, jointly protecting and carrying forward the traditional culture of the Chinese nation, and promoting discussions between ARATS and SEF. He believed that this point is beneficial to cooperation between ARATS and SEF.

Further Coverage of Wang-Ku Talks' 2d Round

Tang Arrives

OW2605163895 Beijing XINHUA in English
1629 GMT 26 May 95

[FBIS Transcribed Text] Taipei, May 26 (XINHUA) — Association for Relations Across the Taiwan Straits (ARATS) Vice-President Tang Shubei and his delegation arrived in Taipei this afternoon.

The eight-member ARATS delegation was greeted at the airport by Chiao Jen Ho, vice-chairman and secretary general of Taiwan's Straits Exchange Foundation (SEF), after which Tang held a press conference in Taipei's World Trade Center.

When asked about what impact the U.S. decision to approve Li Teng-hui's visit to the United States will have on the present talks, Tang said that he hopes that ARATS, as a non-governmental body handling affairs concerning both sides, will not be influenced by political differences across the Taiwan Straits, and can do some work of common interest to both sides.

He said that he believes that political differences should be solved through political negotiations, and that discussions between the two organizations will be on economic and routine matters.

As for Hong Kong and Macao, Tang said that China will resume sovereignty over Hong Kong on July 1, 1997, and Hong Kong will maintain its prosperity and stability in accordance with the Basic Law, and ARATS is authorized to discuss some detailed issues only if SEF asks about exchanges between Hong Kong and Taiwan after the transition.

According to earlier reports, Tang will attend the first preliminary talks with Chiao on the second meeting between ARATS president Wang Daohan and SEF chairman Gu Chen-Fu [Ku Chien-fu].

The talks this time will be about the concrete time for holding the second "Wang-Gu" [Ku] meeting, and exchange opinions on things to be discussed at that meeting and arrangements for Gu's stay in Beijing.

Tang To Discuss Ties

HK2605143995 Hong Kong ZHONGGUO TONGXUN
SHE in Chinese 1310 GMT 26 May 95

[By reporter Zhuo Lin (0587 5376)]

[FBIS Translated Text] Taipei, 26 May (ZHONGGUO TONGXUN SHE) — Tang Shubei, executive vice chairman of the mainland's Association for Relations Across the Taiwan Strait [ARATS], said in Taipei today that the ARATS has been authorized to discuss with Taiwan's Strait Exchange Foundation [SEF] some concrete issues concerning Hong Kong-Taiwan dealings after 1997.

Tang Shubei pointed out: On 1 July 1997, the mainland will resume its exercise of sovereignty over the region of Hong Kong, and according to the Basic Law, Hong Kong's original capitalist system and way of life must remain unchanged for 50 years. We wish to preserve Hong Kong's economic prosperity and stability. Under these circumstances, the ARATS has been authorized to discuss with the SEF some concrete issues concerning Hong Kong-Taiwan dealings after 1997, provided the SEF formally makes such a demand.

According to the SEF's plan, the Hong Kong-Taiwan issue has been put on the agenda of the first consultation meeting in preparation for the second Wang-Gu [Ku] Talks.

Urges Agricultural Cooperation

HK2705041095 Beijing ZHONGGUO XINWEN SHE
in Chinese 1351 GMT 26 May 95

[By staff reporter Lu Junjun (7120 8823 8823): "Tang Shubei Says That Cross-Strait Agricultural Cooperation Will Benefit the National Economy"]

[FBIS Translated Text] Taipei 26 May (ZHONGGUO XINWEN SHE) — Tang Shubei, executive vice chairman of the Association for Relations Across the Taiwan Strait (ARATS), stated today: The two sides of the Taiwan Strait may draw upon one another's merits to offset their weakness in agriculture to benefit the national economy as well as the people on the two sides of the strait.

Tang Shubei made the above-mentioned remarks at a news conference held after he arrived in Taipei.

He stressed: The mainland of the motherland has always advocated strengthening cross-strait economic cooperation. We have noted that, in Mr Li Denghui's [Li Teng-hui] speech of 8 April, he particularly mentioned the issue of cross-strait agricultural cooperation. We are very pleased about this. He continued: We have been fully aware of Taiwan's significant agricultural and economic development over the past several decades. The mainland has used 7 percent of the world's farmland to feed 22 percent of the world's population. The mainland has also good experience in agriculture. If the two sides of the strait can learn from one another's strong points to make up their deficiencies and promote joint cooperation and achieve development, it will definitely benefit the Chinese nation and compatriots on the two sides of the strait.

It has been learned that ARATS has planned to include cross-strait agricultural exchanges and cooperation in the agenda of the second "Wang-Gu [Ku] Talks." It will further discuss specific items with the Straits Exchange Foundation.

Tang Meets Chairman

OW2705005395 Beijing XINHUA Domestic Service
in Chinese 1547 GMT 26 May 95

[By reporter Zhao Wei (6392 5898)]

[FBIS Translated Text] Taipei, 26 May (XINHUA) — On arriving in Taipei [Taipei,] Tang Shubei, vice president of the Association for Relations Across the Taiwan Strait [ARATS,] and his party, eight persons in all, went to the office of Taiwan's Straits Exchange Foundation [SEF] to visit its chairman Gu Zhengfu [Ku Cheng-fu].

Tang Shubei conveyed ARATS president Wang Daohan's regards to Gu Zhengfu and told Gu Zhengfu and his wife they would be welcome on the mainland for a visit and talks in July.

Gu Zhengfu welcomed Tang Shubei and his party on their visit to Taiwan. He said: Since the leaders of ARATS and SEF held their first talks in Singapore, despite the occasional twists and turns experienced in cross-strait relations, the two organizations have been able to deal with problems in a pragmatic manner and promote relations between the two organizations within the framework laid down in Singapore. He added: The two sides of the strait have been separated for 40 years, it is only natural that they have differences in the way they think, in their lifestyles, and in their development courses. However, as President Wang Daohan said, we should seek common ground while reserving differences. The responsibility of ARATS and SEF is to broaden the scope of cross-strait exchange

and cooperation through pragmatic consultations. When there are differences between them, they should look for the possibility of gradually reorienting themselves to suit each other according to the principle of respect for each other. He expressed the hope that the current preparatory consultations could find a feasible plan for the second round of Wang-Gu [Ku] talks.

Tang Shubei said he agreed with Gu Zhengfu's remarks. He said: Since the Wang-Gu talks agreement was signed, ARATS and SEF have done a great deal to promote cross-strait nongovernmental exchanges. Although the topics covered in the agreement have not been thoroughly discussed, the two sides currently are seeking to solve that problem. He pointed out: In the current situation in which political differences exist between the two sides of the strait, the role of cooperation between the two organizations in promoting cross-strait relations cannot be neglected. He expressed the hope that, through the second round of Wang-Gu talks, to be held soon in Beijing, the two sides would be able to further progress in broadening their common understanding; and find a way through dialogue of resolving their differences.

Tang Speaks to Reporters

OW2705044395 Beijing XINHUA Domestic Service
in Chinese 1622 GMT 26 May 95

[By reporter Zhao Wei (6392 5898)]

[FBIS Translated Text] Taipei, 26 May (XINHUA) — Tang Shubei, vice president of the Association for Relations Across the Taiwan Strait [ARATS,] and his party, eight persons in all, arrived in Taipei [Taipei] this afternoon to hold first round of preparatory consultation with Taiwan's Strait Exchange Foundation [SEF] on holding the second Wang-Gu [Ku] talks.

Jiao Renhe [Chiao Jen-ho,] vice chairman and secretary general of SEF, welcomed Tang Shubei and his party at the airport.

It has been learned that, through numerous discussions, ARATS and SEF have initially agreed to hold the second Wang-Gu talks in Beijing in mid- or late July this year. Before the talks are held, ARATS Vice President Tang Shubei and SEF Vice Chairman and Secretary General Jiao Renhe will hold three rounds of preparatory consultations.

During an interview with reporters on the plane, Tang Shubei said: The first round of preparatory consultation will set a definite time for the second Wang-Gu talks, exchange views on issues to be discussed at the talks, and make arrangements for Gu Zhengfu [Ku Cheng-fu] and his party's itinerary in Beijing. Since persons

in charge of the two organizations held talks in Taipei in August last year, cross-strait relations have developed markedly. However, many problems still exist. The reason for this is that the two sides, while having some common understanding, have differences on how to avoid sensitive political issues and how to consult with each other in a pragmatic manner. He pointed out: On the eve of this year's Spring Festival, General Secretary Jiang Zemin issued a statement on advancing the motherland's peaceful reunification, and Taiwan gave some responses. It can be seen that political differences between the two sides are obvious. However, the two sides have common views on stepping up cross-strait economic exchange on a mutually-beneficial basis, on making joint efforts to promote the Chinese nation's fine traditional culture, and on advancing consultations between ARATS and SEF. This should be conducive to promoting cooperation between the two organizations. He stressed: Political differences between the two sides do exist, and have been quite outstanding recently. Nevertheless, as pointed out by General Secretary Jiang Zemin, cross-strait exchange and cooperation should not be affected by political differences between the two sides. ARATS, as a nongovernmental organization dealing with cross-strait affairs, hopes it will not be affected by political differences between the two sides so it can do more for the common interests of compatriots on the two shores and to promote cooperation between the two organizations. After arriving in Taipei, Tang Shubei answered reporters' questions at a press conference. He reiterated the nongovernmental, economic, non-political, and functional nature of the talks between ARATS and SEF. He also answered reporters' questions on the topics of the second Wang-Gu talks, development and problems in the current cross-strait relations, and matters concerning ARATS-SEF consultations.

ARATS Secretary General Zhang Jincheng and Deputy Secretaries General Zhao Zhengyu and Li Yafei arrived in Taipei by the same plane.

More on Tang's Comments

HK2705080495 Beijing ZHONGGUO XINWEN SHE in Chinese 2151 GMT 26 May 95

[By reporter Lu Junjun (7120 8823 8823)]

[FBIS Translated Text] Taipei 26 May (ZHONGGUO XINWEN SHE) — The second "Wang-Gu [Ku] talks" would continue to be positioned as being non-governmental, economic, routine, and functional. The oncoming Wang-Gu policy talks would not affect the non-government nature of ARATS-SEF talks, stated Tang Shubei, ARATS executive vice chairman in an interview with reporters upon his arrival in Taipei today.

Tang Shubei said, the nature of the agreement signed at the 1993 Singapore Wang-Gu talks stipulated that the nature of ARATS-SEF talks was to be non-governmental, economic, routine and functional. The current Wang-Gu talks would continue to be conducted on the basis of this agreement. The mainland side was pleased to see that some experts from the Taiwan side would be likely to participate in the current preparatory negotiations, because the mainland of the motherland had long been doing so; however, that would not change the non-government nature of the ARATS-SEF talks, nor would the oncoming policy dialogue between Mr. Wang Daohan and Mr. Gu Zhengfu [Ku Cheng-fu] affect the non-government nature of the ARATS-SEF talks.

Tang Shubei stated that the second "Wang-Gu talks" would be of great significance to the development of cross-strait relations. ARATS President Wang Daohan hoped that his meetings with SEF President Gu Zhengfu could be set at regular intervals and institutionalized. Of course, that would depend on his negotiations with Jiao Renhe [Chiao Jen-ho].

With regard to whether the second "Wang-Gu talks" would touch upon the issue of Hong Kong-Taiwan ties after 1997, Tang Shubei said that ARATS had already been authorized to discuss them, should SEF officially set out specific issues on Hong Kong-Taiwan ties after 1997.

In respect of the contents of the Wang-Gu policy talks, Tang Shubei said that he hoped to learn SEF's views and understanding during his current trip, which he would report to ARATS President Wang Daohan upon his return. He stressed that having talks did not necessarily mean conducting negotiations, rather, they involve exchanging views, topics could be set in talks or otherwise. However, ARATS has not included the negotiations over ending the state cross-strait hostility in the oncoming policy dialogue in the second "Wang-Gu talks." Tang Shubei said he believes that, regarding the three routine topics, he and Jiao Renhe fully exchanged views with one another on some points last January; efforts must be focused on determining the "time, procedures and topics" of the second Wang-Gu talks during the current negotiations.

He told the reporters that he was a non-governmental worker engaged in cross-strait relations, and was very willing to meet figures from the Taiwan side in charge of cross-strait relations to exchange views on cross-strait relations at the appropriate time and occasion.

Second Meeting's Agenda

OW2905102495 Beijing XINHUA Domestic Service
in Chinese 1042 GMT 28 May 95

[By reporter Zhao Wei (6392 5898)]

[FBIS Translated Text] Taipei [Taipei], 28 May (XINHUA) — On 28 May, during their preliminary consultations, the Association for Relations Across the Taiwan Strait [ARATS] and the Strait Exchange Foundation [SEF] reached a common understanding on the agenda for the second meeting between Wang Daohan and Gu Zhenfu [Ku Chen-fu].

ARATS Secretary General Zhang Jincheng and SEF Vice Chairman Jiao Renhe [Chiao Jen-ho] briefed the press on this during separate news conferences.

The second "Wang-Gu [Ku] meeting's" agenda has the includes the following eight topics for discussion: 1) Reviewing and strengthening ARATS-SEF liaison and consultative authority. 2) Discussing an agreement about protecting Taiwan investors' rights and interests. 3) Making preparations for holding a meeting on cross-strait nongovernmental economic exchanges and holding regular meetings to discuss economic and trade disputes as well as cross-strait protection of intellectual property rights. 4) Discussing issues about cross-strait cultural, education, and journalistic exchanges. 5) Discussing issues about cross-strait exchanges in agricultural areas. 6) Discussing issues about cross-strait exchanges in scientific and technical areas. 7) Discussing issues about cross-strait travel exchanges. 8) Discussing other major issues concerning cross-strait exchanges.

[ARATS Vice President] Tang Shubei said during his news conference that these eight topics of discussion are to be discussed during the second "Wang-Gu meeting," and that the specifics will be discussed further during the second preliminary consultations to be held from 27 June through 1 July. With regard to making preparations for holding a meeting on cross-strait nongovernmental economic exchanges, Tang Shubei stressed that the meeting should be sponsored by both ARATS and SEF, and that relevant personages from the two sides' competent authorities should take part in the discussion in an appropriate capacity. Jiao Renhe indicated during his news conference that the two sides had achieved a common understanding on the time, location, and topics of discussion for the second "Wang-Gu meeting." He added that, on the whole, the anticipated goal was achieved.

Discussions Make 'Progress'

OW2805145495 Beijing XINHUA in English
1428 GMT 28 May 95

[FBIS Transcribed Text] Taipei [Taipei], May 28 (XINHUA) — Progress has been made in a meeting held here today between the Beijing-based Association for Relations Across the Taiwan Strait (ARATS) and the Taiwan-based Strait Exchange Foundation (SEF).

During the first preliminary discussion for top-level talks between ARATS and SEF, the two non-governmental bodies have reached common understandings on eight topics to be discussed at the second talks between ARATS president Wang Daohan and SEF chairman Gu Chen-fu [Ku Cheng-fu], which is scheduled to be held in Beijing in mid- or late July.

The two sides will jointly publish a bulletin tomorrow on the common understandings reached at today's discussion.

Tang Shubei, Vice-President of ARATS, told a news conference that at the second round of top-level talks, the two sides will try to reach agreements on the topics of "fishery dispute" and safeguarding of the benefits of Taiwan investors.

Other topics will range from preparation of cross-straits non-official economic exchanges meetings, holding symposiums on trade disputes and on safeguarding intellectual property, to exchanges in various fields.

According to Tang, the details of the topics will be further discussed at the second preliminary meeting to be held from June 27 to July 1.

Tang also noted that both sides have exchanged views on some problems expected to arise in exchanges between Hong Kong and Taiwan after the year 1997, when China resumes the exercise of its sovereignty over Hong Kong.

Tang again stressed that the cross-straits non-official economic exchanges meeting should be held by ARATS and SEF and should be set institutional. [sentence as received]

Chiao Jen Ho, vice-chairman and secretary general of the SEF, said that the two sides have reached common understandings on topics and concrete time, place for holding the second "Wang-Gu [Ku] talks".

He expressed his appreciation of the progress made by the two sides.

Pact Reached

OW3005005495 Beijing XINHUA Domestic Service
in Chinese 0843 GMT 29 May 95

[FBIS Translated Text] Taipei [Taipei], 29 May (XINHUA) — Tang Shubei, executive vice president of the Association for Relations Across the Taiwan Strait [ARATS], and Jiao Renhe [Chiao Jen-ho] vice chairman of Taiwan's Strait Exchange Foundation [SEF] — a corporate body — held the first preparatory consultation in Taipei [Taipei] 27 to 28 May for the second round of Wang Daohan-Gu Zhengfu [Ku Cheng-fu] talks, and reached the following agreements concerning the procedures of the formal talks:

1. The talks will be ones of nongovernmental, economic, non-political, and functional nature; and the purpose of the talks is to step up cooperation between ARATS and SEF and to broaden the scope of nongovernmental exchanges across the strait.

2. The second round of Wang-Gu [Ku] talks are scheduled for around 20 July this year and to last for 3 to 4 days. Executive Vice President Tang Shubei and Vice Chairman Jiao Jenhe will hold second preparatory consultation in Taipei from 27 June to 1 July.

3. The second round of Wang-Gu talks will be held in Diaoyutai, Beijing. The following round of Wang-Gu talks will be held in Taipei, and preparatory consultations for the talks will be held in Beijing.

4. Persons to attend the talks will be:

ARATS President Wang Daohan and Executive Vice President Tang Shubei.

SEF Chairman Gu Zhengfu and Vice Chairman Jiao Renhe.

The number of persons to attend the talks will be 10 to 12 on each side.

5. Topics of the formal talks will be:

(1) to review how the agreements signed at the first round of Wang-Gu talks have been executed; to discuss ways to step up ARATS-SEF cooperation and strengthen their consultative functions;

the two sides will do their best to reach agreements as early as possible on "Discussing the Handling of Fishery Disputes Between the Two Sides of the Strait" and other issues;

(2) issue concerning signing an agreement on protecting Taiwan investors' rights and interests;

(3) preparations for a meeting on cross-strait nongovernmental economic exchange; setting a date for holding a seminar on cross-strait economic and trade disputes and

a seminar on cross-strait intellectual property rights protection;

(4) cross-strait cultural, educational, and journalistic exchanges;

(5) cross-strait agricultural exchange;

(6) cross-strait science and technological exchange;

(7) cross-strait tourism exchange;

(8) cross-strait exchanges of other important matters.

6. Common understanding reached at the talks will be issued in the form of joint agreement after the talks.

Officials Discuss Consultations

OW3005011995 Beijing XINHUA Domestic Service
in Chinese 0926 GMT 29 May 95

[By reporter Zhao Wei (6392 5898)]

[FBIS Translated Text] Taipei [Taipei], 29 May (XINHUA) — The first preliminary consultations for the second meeting between Wang Daohan [president of the Association for Relations Across the Taiwan Strait — [ARATS] and Gu Zhenfu [Ku Chen-fu, chairman of the Strait Exchange Foundation — SEF] ended today. After signing a common understanding of the preliminary consultations, ARATS Executive Vice President Tang Shubei and SEF Vice Chairman Jiao Renhe [Chiao Jen-ho] spoke at a press conference.

Tang Shubei indicated at the conference that, after he returned to Beijing, he would work actively to make preparations for the agenda of the second Wang-Gu meeting, and hoped he would discuss the agenda with SEF Vice Chairman Jiao Renhe and others during the second preliminary consultations scheduled to take place in Taipei in June.

Tang Shubei said: ARATS and SEF now operate when the two sides of the Taiwan Strait have political differences. ARATS always maintains that the two sides' political differences should not affect the two associations' operations. This can be explained by the fact that ARATS was authorized to come here for preliminary consultations of the second Wang-Gu [Ku] meeting. Tang Shubei noted that much of the common understanding reached on the agenda of the second Wang-Gu meeting deals with economic, scientific, technological, and agricultural exchanges. The common understanding has reflected the trend of the development of cross-strait exchanges and contacts, as well as the two sides' common interests. Tang Shubei maintained that it is a very good trend and the two associations should continue to promote it.

Tang Shubei added that, after the common understanding was signed, he and Jiao Renhe also discussed other issues relevant to the second preliminary consultations of the second Wang-Gu meeting.

Taiwan SEF Vice Chairman Jiao Renhe indicated at the press conference that he was glad that a common understanding was reached during the first preliminary consultations for the second Wang-Gu meeting.

Tang Shubei and his party will leave Taipei for Beijing by plane at noon today.

Affairs Office Views Meeting

OW3005034795 Beijing XINHUA Domestic Service
in Chinese 1543 GMT 29 May 95

[By reporter Liu Gan (0491 0474)]

[FBIS Translated Text] Beijing, 29 May (XINHUA) — After concluding the first preliminary consultations for the second round of "Wang-Gu [Ku] talks" in Taipei [Taipei], Tang Shubei, executive vice president of the Association for Relations Across the Taiwan Straits [ARATS], and his entourage returned to Beijing by plane this evening. While greeting Tang Shubei and his entourage at the airport, Chen Yunlin, executive deputy director of the State Council Taiwan Affairs Office, indicated: The State Council Taiwan Affairs Office has fully confirmed various achievements in the preliminary consultations and is grateful to Tang Shubei and his ARATS colleagues for their fruitful work and efforts.

Chen Yunlin said: After two days of fruitful work, ARATS and the Strait Exchange Foundation [SEF] successfully completed their first preliminary consultations for the second round of Wang-Gu talks. Both sides determined the specific time and place of the meeting, participants, agenda, way to release the results of the talks, and other issues. They also reached a six-point consensus and a common understanding on eight topics for discussion at the Wang-Gu talks, which have laid a good foundation for the smooth convening of the second round of Wang-Gu talks.

Chen Yunlin maintained: The concrete achievements in the preliminary consultations are of very positive significance to the development of cross-strait relations. He said: First of all, both sides have reached a new consensus of "strengthening cross-strait contacts and consultations and increasing people-to-people exchanges across the strait" on the basis of a consensus reached earlier that their contacts are of "people-to-people, economic, working-level, and functional" nature. Second, both sides agreed to conduct consultations, at the second round of Wang-Gu talks, on the important issues such as reviewing the implementation of agreements signed

at the first round of Wang-Gu talks and strengthening contacts between ARATS and SEF and enhancing their functions. They also promised to reach an agreement on "negotiating over the handling of cross-strait fishery disputes" and other issues at an early date. Third, both sides agreed to conduct consultations on cross-strait exchanges and other important issues. This indicates that ARATS and SEF will deepen their consultations and play an increasingly important role in communications to promote cross-strait relations. Fourth, the preliminary consultations have taken a step forwards to allow relevant personnel on both sides to participate in consultations in the capacity as experts and thus have played an exemplary role in increasing understanding, enhancing authorization, improving consultative functions, and raising consultative efficiency.

Chen Yunlin said: The achievements in the preliminary consultations show that despite both sides' differences in politics, extensive common ground still remains in the development of cross-strait relations. He believed that as cross-strait exchanges and contacts deepen, this common ground will further widen. He said: We have the reason to believe that following the historic and important step taken by the first round of Wang-Gu talks towards the development of cross-strait relations, the second round of Wang-Gu talks will certainly further promote the in-depth development of cross-strait relations.

Tang Shubei said at the press conference: In light of Chairman Jiang Zemin's eight-point propositions released on the eve of the last Spring Festival and proceeding from the general principle of strengthening cross-strait economic and cultural exchanges and cooperation, benefiting compatriots on both sides of the strait with the 21st century in view, and jointly safeguarding and carrying forward the fine cultural tradition of the Chinese nation, ARATS today formally signed an agreement of common understanding at the first preliminary consultations for the second round of Wang-Gu talks with the authorization of the State Council Taiwan Affairs Office and under the joint efforts of Taiwan's SEF. It reflects the wishes of compatriots on both sides of the strait to increase economic and cultural exchanges and cooperation as well as further extend people-to-people exchanges. Speaking on Hong Kong-Taiwan relations after 1997, Tang Shubei said: If Taiwan's SEF proposes relevant topics for discussion, ARATS has been authorized to engage in the discussion in light of actual situation; the possibility of an exchange of views during the second preliminary consultations is not ruled out.

Affairs Office 'Satisfied'

OW2905162195 Beijing XINHUA in English
1608 GMT 29 May 95

[FBIS Transcribed Text] Beijing, May 29 (XINHUA) — Association for Relations across the Taiwan Straits (ARATS) Vice-President Tang Shubei returned to Beijing this afternoon after attending a preparatory discussion in Taiwan for the cross-straits talks.

He was met at the Capital Airport by Chen Yunlin, deputy director of the Taiwan Affairs Office of the State Council.

Chen said that the State Council's Taiwan Affairs Office is satisfied with the results of the discussion.

Addressing the press at the airport, Tang said that, owing to the efforts made by the two sides, ARATS and SEF (Taiwan's Straits Exchanges Foundation) today officially signed an agreement of common understanding for the preliminary meeting for the second talks between ARATS president Wang Daohan and SEF chairman Ku Chen-fu ("Wang-Ku" talks).

"This agreement of common understanding reflects the wishes of the people on both sides of the straits to increase economic and cultural exchanges and co-operation, unofficial exchanges in particular, between the two sides, and to enhance the capability of ARATS and SEF to talk things over," Tang said.

He said that ARATS will make preparations for the second preliminary discussion for the second "Wang-Ku Talks" to be held in July when Ku Chen-fu with his wife, and the other SEF officials will come to Beijing.

He noted that the first round of preliminary discussion solved problems concerning procedures; the second round is expected to be "substantial", with discussion centered around the main topics.

The second round will also prepare draft documents to be signed by Wang Daohan and Ku Chen-fu, Tang said.

Daily Reports Agenda

HK3005041495 Beijing CHINA DAILY in English
30 May 95 p 1

[FBIS Transcribed Text] Eight subjects are to be discussed at the second Wang-Gu [Ku] meeting—a sum-

mit between leaders of non-governmental bodies based in Beijing and Taipei [Taipei].

The agenda was decided during talks yesterday in Taipei between Tang Shubei, Vice-Chairman of the Beijing-based Association for Relations Across the Taiwan Straits (Arats), and his Taiwan counterpart Chiao Jen-ho, Vice-Chairman and Secretary-General of the Straits Exchange Foundation (Sef).

According to the plan for the summit, Arats Chairman Wang Daohan and Sef Chairman Gu Chen-fu [Ku Chen-fu] will discuss ways of enhancing consultations between Arats and Sef. The meeting is scheduled to be held in Beijing in mid- or late July.

They will try to reach agreements on general issues such as the settlement of fishing disputes. Other items on the agenda include:

- Trying to reach agreement on protecting the interests of Taiwan business people investing in the mainland;

- Preparing for a non-governmental economic exchange conference between Arats and Sef and for regular seminars on dealing with economic and trade disputes and the protection of intellectual property rights across the Straits;

- Enhancing cultural, educational and journalistic exchanges across the Straits;

- Conducting agricultural travel and scientific and technological exchanges; and

- Other important issues concerning exchanges across the Straits.

Tang left Beijing for Taipei last Friday to attend the preliminary talks with Chiao on matters concerning the second Wang-Gu meeting.

The first Wang-Gu meeting was held in Singapore in May 1993. The meetings are seen as a significant step towards improving ties between the mainland and Taiwan.

Sef sent officials to participate in the Tang-Chiao meeting in the capacity of experts for the first time.

Further on Li Teng-hui

Discusses Chinese Communists

OW2905131795 Taipei China Broadcasting Corporation News Network in Mandarin
2300 GMT 28 May 95

[From the "Hookup" program]

[FBIS Translated Text] Commenting on the Chinese communists' attitude toward cross-strait relations, the president [Li Teng-hui] said in a speech in Tainan: The Chinese communists talk about reunification everyday and say Taiwan is a part of the Chinese communists [chung kung]. In fact, it is not hard to tell who is father and who is son. However, while the father is still alive, why should the question of inheritance be brought up?

The president also criticized the Chinese communists for not looking squarely at the reality of separation [fen lieh] and the separated governments [fen chih] between the two sides. He said: When they establish diplomatic relations with any country, they always ask that country not to recognize us. In fact, all those countries in their replies always use the word knowledge [jen chih] of the current cross-strait situation, not any word about recognition [cheng jen] or acknowledgement [chueh jen].

The president said: Taiwan is separated from the mainland. The Republic of China on Taiwan has sovereignty, and it has existed for 84 years. The Chinese communists have never ruled Taiwan, and they are not qualified to say Taiwan is theirs.

The president emphasized: Before talking about reunification, the mainland must stress freedom and democracy. Therefore, we must work hard. Only when we are in a leading position [ling tao ti wei] in the future, will we be able to prevent being annexed by the Chinese communists.

Visit Plans, Entourage Noted

OW2905123195 Taipei China Broadcasting Corporation News Network in Mandarin
2300 GMT 28 May 95

[From the "Hookup" program]

[FBIS Translated Text] Relevant preparations and planning for the president's visit to the United States are being actively stepped up. In fact, the relevant planning is being actively made by the Presidential Office and the Ministry of Foreign Affairs. An announcement is expected to be made by the Republic of China side and the U.S. side this week after everything is finalized.

The president's entourage has been roughly decided on. It includes Wu Po-hsiung, secretary general to

the president; Ting Mao-shih, secretary general of the National Security Council; Hu Chih-chiang, director of the Government Information Office; Chen Hsi-fan, vice foreign minister; (Wang I-tien), senior military aide to the president; Su Chih-cheng, director of the office of secretaries of the Presidential Office; Chang Ping-nan, director of the 1st Bureau of the Presidential Office; and (Ting Yen-tsung), information officer of the Government Information Office.

One of the president's major activities during the visit to Cornell University is to deliver a speech at the (Oulin Lecture). The president is preparing his scripts, both in Chinese and in English.

Supervises Second War Game

HK3005073495 Hong Kong AFP in English
0712 GMT 30 May 95

[FBIS Transcribed Text] Taipei, May 30 (AFP)—Taiwan Tuesday staged a war game supervised by President Lee Teng-hui [Li Teng-hui], against a simulated Chinese invasion, the second in less than a week.

The war game at the northern coastal township of Chuwei near Taiwan's international airport is necessary since China has stepped up efforts to hamper Taiwan's international presence, television stations quoted Lee as saying.

China has launched a number of mock attacks against Taiwan, Lee said.

He had on Thursday presided over an exercise simulating a surprise Chinese attack on Taipei.

Relations between Taiwan and China, which separated after the 1949 Chinese civil war, have been soured by Beijing's recent successful effort at blocking Taiwan's bid to host the 2002 Asian Games, and its anger over Washington's approval for a private US visit by Lee.

Beijing regards Taiwan as a local government which has no right to organize or attend international events.

Taiwanese Premier Lien Chan Monday said China's stand over the 2002 Asian Games bid — won by South Korean city Pusan during an Olympic Council of Asia vote in Seoul — was unfriendly.

Beijing, for its part, has reacted to the Lee trip approval by calling off important Sino-US exchanges, including visits by high-ranking leaders and talks on controlling missile proliferation and nuclear energy cooperation.

Preparations Made for 2d Round of Ku-Wang Talks

Tang Arrives for Preparations

OW2705023095 Taipei CNA in English
0123 GMT 27 May 95

[By Y.C. Tsai]

[FBIS Transcribed Text] Taipei, May 26 (CNA) — Tang Shubei, vice chairman of Mainland China's Association for Relations Across the Taiwan Strait (ARATS), arrived in Taipei on Friday to begin laying the groundwork for the second Ku-Wang talks.

Tang, head of an eight-member ARATS delegation, will meet with his counterpart Chiao Ren-ho, vice chairman of Taiwan's Straits Exchange Foundation (SEF), Saturday and Sunday during the first of two preparatory meetings for the summit talks between SEF Chairman Ku Chen-fu and ARATS Chairman Wang Daohan, tentatively scheduled for July in Beijing.

Ku and Wang met in their first landmark meeting in Singapore in April 1993, marking the highest-level contact between Taiwan and the mainland since the Kuomintang-ruled government moved to Taiwan in 1949.

The two semi-official intermediary organizations were established in 1991 to address problems arising from cross-strait exchanges in the absence of official contacts.

Speaking at a press conference at the Taipei International Convention Center following his arrival, Tang said the two sides of the strait have political differences as well as common interests, but that the SEF and ARATS are not in a position to deal with political issues.

Tang made the remarks in response to questions on ARATS' position regarding the recent approval by the Clinton administration of a trip to the United States by President Li Teng-hui, and on Beijing's interference in Kaohsiung's bid to host the 2002 Asian Games.

He pointed out that he will ask SEF officials to agree to an agenda for the Ku-Wang talks that includes discussion of a policy dialogue between Taipei and Beijing, as well as issues related to Hong Kong and Macao affairs. Hong Kong will revert to Mainland Chinese rule in mid-1997, while the Portuguese colony of Macao will return to the mainland's rule in 1999.

If discussion on a policy dialogue is included on the agenda, Ku and Wang will simply exchange views, rather than negotiate, on the issue, he elaborated. The dialogue would not affect the private nature of the two intermediary organizations, he added.

This is Tang's second visit to Taiwan. He first visited Taiwan late last July.

To ensure the safety of Tang and other delegation members, more than 1,000 police have been put on alert at the Howard Plaza Hotel, where delegates are staying, as well as at the site of the first preparatory meeting, the Taipei International Convention Center.

Some Taiwan independence advocates staged protests at both venues, chanting "Taiwan is not part of China."

The second-round preparatory meeting for the Ku-Wang talks is slated for next month.

Tang Comments on Plans

OW3005070295 Taipei CHUNG-YANG JIH-PAO
in Chinese 26 May 95 p 2

[FBIS Translated Text] In an exclusive telephone interview, with our staff reporter before departing for Taiwan, Tang Shu-pei [Tang Shubei], executive vice chairman of the Association for Relations Across the Taiwan Straits [ARATS], said: It is hoped that during the Second Ku-Wang Talks, both sides will give first priority to strengthening cross-strait economic exchange and cooperation and will set up a framework under which leaders of ARATS and the Strait Exchange Foundation [SEF] can meet on a regular basis. The ARATS plans to propose five topics for the talks, such as economic issues, cultural and educational exchanges, technical issues, connections between the SEF and the ARATS, and a dialogue of policy issues; however, discussion topics will not be finalized until we consult with SEF Secretary General Chiao Jen-ho.

Tang Shu-pei will lead ARATS Secretary General Chang Chin-cheng [Zhang Jincheng], Deputy Secretary Generals Chao Cheng-yu [Zhao Zhengyu] and Li Ya-fei [Li Yafei], and other delegates to leave Peking [Beijing] at 0800 this morning and will arrive in Taipei at 1400 in the afternoon to conduct a four-day first preparatory meeting for the Second Ku-Wang Talks with SEF Vice Chairman and Secretary General Chiao Jen-ho and other SEF members. The following is the content of the interview conducted yesterday:

[Reporter] Leaders of both sides across the straits spoke highly of the First Ku-Wang Talks in their speeches delivered recently. As ARATS executive vice chairman, what are your expectations for the Second Ku-Wang Talks?

[Tang] The Ku-Wang meeting is a high-level meeting held by nongovernmental organizations, authorized by the two sides to discuss issues related to cross-strait relations. During the first talks, on the premise that there

is only one China, both sides reached a consensus on the meeting's nature; that is, the two sides agreed that the meeting was a non-official, economic, and functional discussion. Concerning the Second Ku-Wang Talks, we hope that the issue of strengthening cross-strait economic exchange and cooperation will be placed high on the agenda and that leaders of the two organizations will exchange views on issues related to Taiwanese and Mainland Chinese compatriots' immediate interests and cross-strait cooperation and will have a dialogue of policy issues. We also hope that through this meeting we can set up a framework for regular meetings between ARATS and SEF leaders, so as to improve mutual understanding, reduce differences, cultivate mutual trust, and play a greater role in stepping up contact and communication between the two organizations.

[Reporter] What is ARATS's proposal for topics for the Second Ku-Wang Talks?

[Tang] We need to consult with the SEF's Mr. Chiao Jen-ho about discussion topics. In my opinion, topics for the talks will include: 1) cross-strait economic, technological, and agricultural exchange and cooperation; 2) cultural and educational exchange; 3) discussion of technical issues between the two organizations; 4) increasing connections and cooperation between the two organizations; and 5) a dialogue on policy issues.

[Reporter] Will you touch on the issue of protection for Taiwan investments on the mainland during the preparatory meeting in Taiwan?

[Tang] Concerning the issue of investment protection for Taiwan investors, we suggest that we hold talks to discuss the issue and sign a non-official investment guarantee agreement based on the principle of reciprocity. My mission this time is to settle discussion topics (for the Ku-Wang meeting) with Mr. Chiao Jen-ho.

Officials To Attend Talks

OW2605113395 Taipei CNA in English
0910 GMT 26 May 95

[By Benjamin Yeh]

[FBIS Transcribed Text] Taipei, May 25 (CNA) — Government officials for the first time will attend a private Taiwan-Mainland China meeting, which is slated for Sunday [28 May] in Taipei, Kao Kung-lian, vice chairman of the Mainland Affairs Council (MAC), said Thursday.

Kao identified the two officials as Chan Chih-hung, director of the MAC Department of Research & Planning, and Fu Tung-cheng, director of the MAC Department of Economic Affairs.

"For a long time, the MAC Department of Research & Planning has been in charge of the drafting of bilateral talks between Taiwan and Mainland China, so Chan's presence should be helpful," Kao said.

Sunday's discussions will be the first of two rounds of preparatory meetings prior to the summit talks between Ku Chen-fu, chairman of the Straits Exchange Foundation (SEF), and Wang Daohan, chairman of the Association for Relations Across the Taiwan Strait (ARATS), in Beijing in July. The two semi-official intermediary organizations were created to address problems arising from private exchanges in the absence of official contacts.

No ROC Government officials have ever participated in talks of any kind with the mainland since Ku and Wang met in their first landmark meeting in Singapore in 1993.

"Because the July Ku-Wang talks will center around economic and trade issues, Fu should be able to provide the SEF delegation with immediate assistance," Kao said.

The Taiwan delegation to the first preparatory meeting will be led by SEF Vice Chairman Chiao Jen-ho, while the mainland delegation headed by ARATS Standing Vice Chairman Tang Shubei.

Only procedural issues will be discussed when Chiao and Tang meet on Sunday.

Group To Come 'As Scheduled'

OW26051133195 Taipei LIEN-HO PAO in Chinese
24 May 95 p 3

[FBIS Translated Text] The Association for Relations Across the Taiwan Strait [ARATS] informed the Strait Exchange Foundation [SEF] yesterday afternoon by letter that an ARATS delegation will arrive in Taipei on 26 May as scheduled earlier, to participate in the first preparatory meeting for the Second Wang-Ku Talks. The Mainland Affairs Council [MAC] said yesterday that cross-strait consultations will not be affected by growing tension between the two sides.

Relations between the two sides became strained because of the mainland's interference over Taiwan's bid to host the Asian Games and the U.S. announcement on its decision to allow President Li Teng-hui's visit. The ARATS's letter clears any concern that the two sides may be forced to postpone their talks. In its letter, the ARATS pointed out: An eight-member delegation, led by ARATS Executive Vice Chairman Tang Shu-pei [Tang Shubei], is scheduled to fly Air China to Hong Kong on flight CA101 on 26 May and then

fly Cathay Pacific to Taipei on flight CX420. The estimated time of arrival is 1400 on 26 May. The delegation will leave Taipei via CX565 at 1250 on 29 May. The ARATS hopes that the SEF would coordinate with relevant quarters to make arrangements for work related to the delegation's arrival (according to the measures on easy entry and exit for SEF and ARATS personnel).

MAC policy-makers said: The MAC is closely watching mainland China's moves following its strong protest over President Li Teng-hui's U.S. visit. At present, the MAC decided to hold cross-strait talks according to its original plan. However, this is a decision made under the current situation. Provided that mainland China's moves seriously affect cross-strait relations, it is hard to say that the Second Wang-Ku Talks will not be affected.

It has been learned that the MAC, which is in charge of Taiwan's mainland policy, is very concerned about growing tension between the two sides. This issue was discussed at yesterday's meeting of senior MAC officials. Participants held that they were indignant at mainland China's ignoring national justice. Chiang Tse-min's [Jiang Zemin] eight-point speech is still reverberating in our hearts; however, mainland China has allied with foreigners to fight Chinese people.

'Rational' Attitude Urged

OW2705032295 Taipei CNA in English
0136 GMT 27 May 95

[By Y.C. Tsai]

[FBIS Transcribed Text] Taipei, May 26 (CNA) — An official in charge of mainland affairs on Friday [26 May] called on Taiwan citizens to have a "rational" attitude toward discussions between the two sides of the Taiwan Strait.

Kao Koong-lian, vice chairman of the cabinet-level Mainland Affairs Council (MAC), made the appeal as Tang Shubei, vice chairman of the mainland's Association for Relations Across the Taiwan Strait (ARATS), was arriving in the afternoon for a preparatory meeting with his counterpart Chiao Jen-ho, vice chairman of Taiwan's Straits Exchange Foundations (SEF), to pave the way for the second Ku-Wang talks.

The second meeting between SEF Chairman Ku Chen-fu and ARATS Chairman Wang Daohan is tentatively scheduled for July in Beijing. Ku and Wang met for the first time in Singapore in April 1993, marking the highest-level contact between Taiwan and the mainland since the Kuomintang-ruled government moved to Taiwan in 1949.

The two semi-official intermediary organizations were established in 1991 to address problems arising from cross-strait exchanges in the absence of official contacts.

Cross-strait ties soured this week with Beijing's interference in the vote on the host city for the 2002 Asian Games, with Pusan, South Korea beating out the Taiwan port city of Kaohsiung, and with its protest against the approval by the Clinton administration of a visit by president Li Teng-hui to the United States in June.

The preparatory meeting, which is aimed at working out details for the Ku-Wang talks, should not be affected by other factors, Kao pointed out.

Noting that the three major cross-strait issues — the repatriation of mainland hijackers and illegal immigrants as well as fishery disputes — are close to being resolved, he expressed the hope that an agreement on the three issues could be reached before the second Ku-Wang talks so as to create an amicable atmosphere for the meeting.

Talks Held 'Around' 20 July

OW2705145095 Tokyo KYODO in English
1435 GMT 27 May 95

[FBIS Transcribed Text] Hong Kong, May 27 KYODO — Taiwan and China agreed Saturday [27 May] to hold a second round of semiofficial high-level talks in Beijing around July 20, Taiwanese media reported.

Meeting in Taipei, negotiators from both sides also agreed to hold a third round of high-level talks on Taiwan next year, while deciding to discuss efforts to make such contacts once a year at the Beijing meet, the reports said.

Judging from the outcome of the first day of preparatory talks on the high-level meeting both sides seem eager to put aside recent diplomatic setbacks.

The Chinese delegation headed by Tang Shubei, vice chairman of the Association for Relations Across the Taiwan Straits (ARATS), arrived in Taipei on Friday for the meeting with his counterpart in Taiwan's Strait Exchange Foundation (SEF), Chiao Jen-ho, amid rising bilateral tension.

China, which considers Taiwan a renegade province, is outraged over Washington's decision to allow Taiwanese President Li Teng-hui a landmark "private" visit to the United States.

Beijing has tried to isolate the island internationally since Chiang Kai-shek's Nationalists took refuge there after losing the civil war in 1949.

Taipei for its part is upset because China is opposing its bid to host the 2002 Asian Games in the southern port city of Kaohsiung.

Zhang Jincheng, ARATS secretary general, told a news conference that the Beijing talks will last three or four days with each delegation grouping some ten members, according to the reports.

His SEF counterpart, Ku Chen-fu, expressed hopes for a meeting with "higher Chinese leaders." International attention will focus on whether the Taiwanese will be granted an unprecedented meeting with Chinese President Jiang Zemin.

On Sunday the negotiators will discuss the agenda for the Beijing talks. According to Taiwanese media reports, two members of Taiwan's Mainland Affairs Council, an agency coordinating the island's policy toward China, participated in Saturday's discussions as experts.

Addressing a news conference following the day's sessions, China's Tang welcomed the first-ever involvement of Taiwanese government officials in bilateral talks.

"It's something we've always hoped for," Tang was quoted as saying, alluding to Beijing's long-standing demand to discuss bilateral issues at an official level.

To date Taiwan, which aims at eventual unification with the mainland but is wary that China wants to achieve unification on its terms, has insisted on semiofficial contacts.

A historic first meeting between the chairman of China's ARATS and his counterpart from Taiwan's SEF was held in April 1993 on neutral ground in Singapore, ending more than four decades of silence between the two neighbors.

ARATS and SEF are semiofficial bodies handling touchy bilateral ties in the absence of diplomatic relations.

SEF, ARATS Agree to Talks

OW2905025295 Taipei CNA in English
0124 GMT 29 May 95

[By Flor Wang]

[FBIS Transcribed Text] Taipei, May 27 (CNA) — Taiwan's Straits Exchange Foundation (SEF) and Mainland China's Association for Relations Across the Taiwan Strait (ARATS), officially agreed on Saturday to hold the second round of talks between SEF Chairman Ku Chen-fu and ARATS Chairman Wang Daohan beginning July 20 in Beijing.

The decision was announced by ARATS Secretary-General Chang Jincheng after the agreement was reached by the two sides during the first preparatory meeting for the talks at the Taipei International Convention Center. Chang also said it was agreed that Ku and Wang will meet again next year in Taipei.

Chang, part of an eight-member ARATS delegation led by Vice Chairman Tang Shubei, arrived in Taipei Friday to hold the first preparatory meetings for the Ku-wang talks.

SEF and ARATS officials also decided to hold the second preparatory meeting from June 27 to July 1 in Taipei, according to Chang.

The agenda for the second Ku-wang talks will be jointly worked out on Sunday by the SEF and ARATS. Chang noted, pointing out that the second meeting between the heads of the two semi-official intermediary organizations will be civilian, economic, and technical in nature. But he added that post-1997 Hong Kong and Macao affairs might be included in the talks if the SEF receives authorization to discuss the issue.

Ku and Wang first met in Singapore in April 1993, marking the first highest-level contact between Mainland China and Taiwan. The SEF and ARATS were created in 1991 to handle cross-strait affairs amid increased exchanges.

Both SEF Vice Chairman Chiao Jen-ho and his ARATS counterpart, Tang Shubei, said after the meeting on Saturday that it is the common wish of the two sides that the Ku-Wang talks be institutionalized and held alternately in Taiwan and the mainland in the future. However, Tang did not disclose which mainland officials Ku would meet with during his stay in Beijing, saying that the SEF and ARATS need to discuss the matter further but that Ku might meet officials higher in standing than the director of the State Council's Taiwan affairs office, Wang Zhaoguo.

Tang also said he was pleased that officials from Taiwan's Mainland Affairs Council (MAC) were able to take part in Saturday's preparatory meeting, saying their participation made the discussion more effective.

[Name indistinct] and Fu Tung-cheng, respectively the directors of the MAC's department of research and planning and department of economic affairs, said that as the first government officials to attend a cross-strait meeting, their participation helped boost bilateral understanding and conciliation.

Later in the day, the ARATS delegation paid a visit to the National Palace Museum, where Tang expressed a keen interest in cross-strait cultural interflows, saying

that Taiwan and Mainland China should strengthen exchanges in the field.

Further on ARATS, SEF

OW2905095895 Taipei CNA in English
0922 GMT 29 May 95

[By Sofia Wu: "First Preparatory Meeting for Ku-Wang Talks Ends on Happy Note"]

[FBIS Transcribed Text] Taipei, May 29 (CNA) — The two semi-official intermediary bodies on both sides of the Taiwan Strait signed a document Monday [29 May] setting the itinerary and agenda for a second meeting between their heads, dubbed the second Ku-Wang meeting.

The document was signed here by Chiao Jen-ho, vice chairman of the Straits Exchange Foundation (SEF), and Tang Shubei, vice chairman of the Beijing-based Association for Relations Across the Taiwan Strait (ARATS), at the end of the first preparatory meeting for the second Ku-Wang rendezvous.

The document said the two sides have agreed that the second meeting between SEF Chairman C. F. Ku and his ARATS counterpart, Wang Daohan, will open in Beijing July 20 for three or four days.

"The meeting will be of a private, economic, technical and functional nature, and is designed mainly to strengthen consultations and communications between the two organizations and to promote cross-strait civilian exchanges," the document said.

It further said the second Ku-Wang meeting will discuss eight major topics — ways to strengthen the two organizations' functions; issues related to the signing of an investment protection agreement; organizing a non-official cross-strait economic meeting on matters of mutual concern; cross-strait cultural, educational and media exchanges; agricultural exchanges; technological exchanges; tourist exchanges; and other important issues arising from increasing cross-strait exchanges.

The two sides also agreed to meet again in Taipei from June 27 to July 1 to discuss other technical details in preparation for the second Ku-Wang meeting.

The document further said the third Ku-Wang meeting will be held in Taipei and all related preparatory meetings will be held in Beijing.

The ground-breaking first Ku-Wang meeting took place in Singapore in April 1993.

SEF Vice Chairman Chiao said officials from both sides in charge of Hong Kong and Macao affairs are expected

to attend the June 27-July 1 preparatory meeting for the second Ku-Wang rendezvous.

Chiao said Taiwan hopes to discuss Hong Kong and Macao affairs mainly because it is concerned about the well-being of Chinese people living in the two territories, which will revert to Beijing rule in 1997 and 1999 respectively.

Tang Shubei said before his departure for home he hopes the two sides will devote more energy to promoting economic and agricultural cooperation for mutual benefits and to jointly nurturing a Chinese cultural renaissance.

"Through cooperation in these fields we can create common interests," Tang said, adding he hopes political differences between the two sides can also be gradually resolved in the future.

Tang and other ARATS officials arrived in Taipei last Friday and left for Beijing via Hong Kong Monday.

ARATS, SEF Agenda Set

OW2905030495 Taipei CNA in English
0148 GMT 29 May 95

[By Bear Lee]

[FBIS Transcribed Text] Taipei, May 28 (CNA) — Negotiators from Taiwan and the mainland on Sunday worked out the agenda for the second round of the highest-level cross-strait talks scheduled to be held in Beijing in late July.

Protection of Taiwan investments and investors in the mainland will be formally discussed during the talks between Ku Chen-fu, chairman of the Straits Exchange Foundation (SEF) of Taiwan and his mainland counterpart, Association for Relations Across the Taiwan Strait (ARATS) Chairman Wang Daohan.

Ku and Wang first met for the landmark talks between Taiwan and the mainland in April, 1993 in Singapore. Both SEF and ARATS were established in 1991 to handle cross-strait civilian exchanges.

Taiwan has been urging the signing of an investment guarantee agreement with the mainland since unofficial figures put Taiwan investments in the mainland at over US\$12 billion and the number of Taiwan investors there at more than 20,000.

Ku and Wang will also review the operations of two intermediary organizations and seek to strengthen communications and cooperation between them during the Beijing meeting, according to Chiao Jen-ho, SEF

vice chairman and chief Taiwan delegate to the two-day preparatory meeting which opened Saturday at the Taipei international convention center.

They will try to sign agreements on the thorny issues, the repatriation of hijackers and illegal mainland immigrants and handling of cross-strait fishing disputes.

Other issues to be discussed in the coming talks will be concerning the holdings of civilian conferences on cross-strait economic exchanges, and seminars on intellectual property right protection as well as on the handling of trade disputes.

Measures are expected to be worked out to enhance cultural, educational, journalistic, agricultural, travel and technological exchanges between the two sides.

Expressing his satisfaction over the result of the two-day talks, Chiao said "all the set goals have been achieved during the meeting".

Chiao also said that he is scheduled to hold another round of preparatory meetings with ARATS officials from June 17 through July 1 in Taipei and that the issues pertaining to post-1997 relations between Taiwan and Hong Kong is expected to be raised in the talks.

The mainland negotiators, led by ARATS Vice Chairman Tang Shubei will leave after jointly issuing a conference record with Chiao on Monday.

SEF Board Not Allowed

OW3005053295 Taipei CNA in English
0152 GMT 30 May 95

[By Benjamin Yeh]

[FBIS Transcribed Text] Taipei, May 29 (CNA) — A ranking Mainland Affairs Council (MAC) official on Monday denied media reports that several supervisors and members of the Straits Exchange Foundation's (SEF) Board of Directors will be allowed to attend the second high-level private talks between Taiwan and Mainland China in July in Beijing.

"The reports are purely concocted," Kao Koong-lian, MAC vice chairman, said at a press conference when asked whether any businesspeople would be invited to the second round of talks between Ku Chen-fu, chairman of the SEF, and Wang Daohan, chairman of the Mainland's Association for Relations Across the Taiwan Strait (ARATS).

Ku and Wang met for landmark talks in Singapore in April 1993, breaking a 44-year impasse between Taiwan and Mainland China. The SEF and ARATS were created to handle civilian exchanges in the absence of official contacts across the Taiwan Strait.

Kao said the Mac was "confused" by the reports. "For now, only SEF officials who are involved in the handling of daily affairs will attend meetings with the mainland," Kao emphasized.

Two MAC officials attended the first round of preparatory discussions for the Koo-Wang talks, which concluded on Sunday, becoming the first government officials to attend a cross-strait meeting.

Kao said MAC officials are also likely to attend the second round of preparatory discussions, which will be held next month, although no exact date has been set.

Kao added that the MAC would propose to the SEF that the agenda of the Koo-Wang talks include the anti-drug efforts of the two sides. Both sides agreed to wage a war on crime at the Singapore talks, and also agreed at the just-concluded preparatory discussions to review the progress of the pacts signed in Singapore.

Lien: 'No Exact Timetable' for Developing Ties

OW3005022795 Taipei CNA in English
0113 GMT 30 May 95

[By Benjamin Yeh]

[FBIS Transcribed Text] Taipei, May 29 (CNA) — Premier Lien Chan said on Monday that no exact "timetable" exists for the development of ties between Taiwan and Mainland China, but that the bilateral relationship is developing "by stages" according to the national unification guidelines.

"Trade and economic ties will remain the linchpin of the bilateral relationship for the moment," Lien said at a ceremony marking the opening of a high-level personnel-training program sponsored by the Executive Yuan.

He said the government was hopeful that through negotiations between the intermediary bodies of the two sides, the Straits Exchange Foundation and the Association for Relations Across the Taiwan Strait, the two sides could develop a more solid, mutually respectful relationship.

He added, however, that Beijing has not yet treated the ROC [Republic of China] in a "proper" manner and has held to its policy of isolating Taipei in the international community. "Under the circumstances, how could both sides trust each other, despite rising civilian exchanges?"

He said one could easily list numerous examples of Beijing's hostility toward Taiwan, with the latest being its efforts to stop Taiwan from hosting the 2002 Asian games and its refusal to cooperate with Taipei in recognizing the offshore shipping center plan recently

mapped out by the ROC government. "It is regrettable that Beijing still cannot understand that it would create a 'win-win' situation for both sides," Lien said of the plan, which would facilitate shipping service between the two sides in the absence of direct transportation links.

Lien urged Beijing to renounce the use of force against Taiwan, to recognize Taipei as an equal political entity, to agree to the proposed meeting between leaders of the two sides at an international occasion, and to launch political reforms.

Liu Leaves For APEC Meeting in Seoul

OW2705093195 *Taipei CNA in English*
0906 GMT 27 May 95

[By Y.C. Tsai]

[FBIS Transcribed Text] Taipei, May 27 (CNA) — Transportation and Communications Minister Liu Chao-hsuan left for Seoul, South Korea Saturday [27 May] for the ministerial-level telecommunications and information industry meeting of the Asia-Pacific Economic Cooperation (APEC) forum, scheduled for May 29-30.

During the meeting, Liu will give a report on the development of Taiwan's National Information Infrastructure (NII) and strategies for telecommunications upgrading. He will also exchange views with delegates from other APEC members on matters of mutual concern.

Nine other government officials, including Taiwan's representative in South Korea Lin Tsun-hsien, Jea Yuhuei, posts and telecommunications department director-general, and Steven Y. Chen, director-general of the directorate general of telecommunications, are accompanying Liu to the APEC meeting.

A five-member advance team was sent to Seoul to attend a preparatory meeting May 24-26, which worked out discussion topics for the ministerial gathering.

Founded in 1989, APEC now groups 18 members including Australia, Brunei, Canada, Chile, Mainland China, Hong Kong, Indonesia, Japan, Malaysia, Mexico, New Zealand, Papua New Guinea, the Philippines, Singapore, South Korea, Taiwan, Thailand and the United States.

Delegation in Geneva for WTO Talks

OW2905100695 *Taipei CNA in English*
0927 GMT 29 May 95

[By Maurus Young and Lilian Wu]

[FBIS Transcribed Text] Geneva, May 28 (CNA) — The Republic of China [ROC] will hold another round of bilateral talks with World Trade Organization (WTO)

members as part of its ongoing bid for membership in the world trade regulatory body.

An 11-member ROC delegation to the talks is being led by Director-General of the Board of Foreign Trade Lin Yi-fu and Chen Wu-hsiung, director of the Council of Agriculture's Economics and Planning Department.

Since the ROC applied to join the WTO's predecessor, the General Agreement on Tariffs and Trade (GATT), in 1990, it has held more than 100 meetings with 25 WTO members, sources said.

Among the 25 nations, Taiwan has reached membership agreements with South Africa, Malaysia, Turkey, El Salvador, the Czech Republic, Slovakia and the Philippines, sources said. If all goes well during this round of talks, Taiwan may reach agreements with three to five more nations, moving one step closer to full WTO membership.

However, Taiwan's bid may be impeded as there is a tacit understanding among major WTO members that Taiwan can be admitted only after Mainland China. Because Mainland China has made limited progress in its talks with WTO members, the sources urged Taiwan to work to de-link its membership bid from the mainland's and lobby for early entry to the WTO.

Accords Reached

OW3005095495 *Taipei CNA in English*
0909 GMT 30 May 95

[By Maurus Young and Y.C. Tsai]

[FBIS Transcribed Text] Geneva, May 29 (CNA) — Taiwan on Monday reached a preliminary agreement with North Europe and Colombia respectively in bilateral tariff concession consultations, moving a step further in Taiwan's bid to join the World Trade Organization (WTO), the successor body of the General Agreement on Tariffs and Trade (GATT).

An 11-member Taiwan delegation, led by Board of Foreign Trade Director-General Lin Yi-fu and Chen Wu-hsiung, director of the Council of Agriculture's Economics and Planning Department, met with their North European counterparts in the morning.

The North European delegates represented Sweden, Norway, Denmark and Finland.

During the talks, the North European countries no longer opposed Taiwan's proposed quota-based tariff system on agricultural imports, but suggested that Taiwan place fishery products on the list of industrial goods.

They also asked Taiwan to lower import duties on such fishery products as mackerel and codfish, to which Taiwan delegates agreed.

During its meeting with Colombian representatives in the afternoon, the Taiwan delegation agreed to make some downward adjustments on tariffs on coffee and fruits, but declined on fresh cut flowers which it said have already hit the bottom. Colombia has requested lower tariffs on bananas, mangoes, guava, papaya, lemons, fresh cut flowers and coffee.

Taiwan will sign bilateral tariff reduction agreements with these countries once the preliminary accords are approved by their respective governments.

Among the 25 WTO members registered for bilateral tariff concession negotiations with Taiwan, Taiwan has reached agreements with South Africa, Malaysia, Turkey, El Salvador, the Czech Republic, Slovakia and the Philippines.

The Taiwan delegation will meet with representatives from Uruguay and the European Union Tuesday.

Italian Foreign Trade Minister Receives Chiang

OW3005100895 Taipei CNA in English
0853 GMT 30 May 95

[By H.T. Chung and Sofia Wu]

[FBIS Transcribed Text] Rome, May 29 (CNA) — Italy is determined to follow the European Union (EU) policy on improving relations with the Republic of China [ROC] on Taiwan, Acting Italian Foreign Trade Minister Mario d'Urso said Monday [29 May].

"In addition to following EU rules, we'll also do our best to boost trade and economic cooperation with Taiwan," D'Urso told visiting ROC Economic Affairs Minister P. K. Chiang.

D'Urso said Italy is pleased to see rapid growth in its trade with Taiwan in recent years. Italy ranked fourth among EU members in terms of its trade volume with Taiwan last year and enjoyed a trade surplus of more than US\$800 million with Taiwan.

For his part, Chiang said there is still ample room for ROC-Italy trade to grow. Two-way trade between the two countries totaled US\$2.27 billion last year, only accounting for a marginal 1.3 percent of Taiwan's overall foreign trade.

"I hope our two countries will work together to further expand bilateral commercial exchanges and technological cooperation for mutual benefits," Chiang said.

He added Italian ministerial-level officials and business executives are welcome to visit Taiwan to explore trade and investment opportunities.

Despite the absence of diplomatic ties, Taiwan has managed to hold regular ministerial-level meetings with many European countries, including Germany, Belgium, Holland and Ireland. "We hope to develop similar high-level dialogue channels with Italy soon to facilitate trade promotion and cooperation in other fields," Chiang said.

He also asked Italy to support Taiwan's entry to the World Trade Organization (WTO), which superseded the General Agreement on Tariffs and Trade early this year.

Acknowledging that Taiwan has emerged as an economic powerhouse in Asia, D'Urso said Italy will do its best to help Taiwan become a full WTO member.

Later in the day, Chiang attended the second meeting of the ROC-Italy Joint Industry and Commerce Council held in Frosinone, an industrial city some 80 kilometers south of Rome.

Chiang was warmly received by Italian Senate Deputy Speaker Misserville and Frosinone Mayor Paolo Fanelli when he arrived at the meeting site.

More than 150 Italian trade officials and industry and business executives attended the meeting. They exchanged views with their Taiwan counterparts on feasible ways to promote bilateral trade, investment and technological cooperation, and discussed the possibility of forging strategic alliances to jointly tap booming Asia-Pacific markets.

Chiang, heading a 60-member trade mission, arrived in Rome Sunday for a five-day visit. He will visit the Italian Parliament Tuesday. More than 20 senators are expected to receive Chiang when he arrives.

Chiang will also sign a strategic alliance agreement with the Olivetti group, a leading computer and automatic teller machine manufacturer in Italy and Europe.

Following his Italy visit, Chiang will travel to Germany to attend an annual ROC-Germany ministerial-level economic cooperation meeting. He is scheduled to return to Taipei June 7.

East Asia Petrochemical Conference Ends

OW2705032095 Taipei CNA in English
0155 GMT 27 May 95

[By Benjamin Yeh]

[FBIS Transcribed Text] Taipei, May 26 (CNA) — The 1995 East Asia Petrochemical Industry Conference

(EAPIC) ended here Friday [26 May] with the release of a joint communique warning of a possible oversupply of petrochemical materials in the Asia-Pacific due to the overexpansion of production facilities.

"Each project to increase production should be individually considered to insure that it will not upset the projected supply- and-demand balance," the communique said.

A total of 521 persons attended the two-day conference, including 439 delegates from the EAPIC's three member countries of the ROC [Republic of China], South Korea, and Japan. Other delegates and observers came from Singapore, Thailand, Indonesia, Malaysia, Hong Kong, Saudi Arabia, France and Mexico.

Despite a generally favorable outlook for the petrochemical industry in the region, the communique points to the major concerns of the participants: Rising oil prices and interest rates, and the impact the instability of the U.S. dollar and Japanese yen will have on the industry.

For the first time in the conference's history, a seminar on environmental production was held as part of conference activities.

The next conference is slated for May 1996, in South Korea.

Lien Calls For Cooperation in Fighting Drugs

OW2905100095 Taipei CNA in English
0912 GMT 29 May 95

[By Sofia Wu]

[FBIS Transcribed Text] Taipei, May 29 (CNA) — The two sides of the Taiwan Strait should discuss ways to cooperate in the fight against drugs because Mainland China has become a major contraband drug supplier to Taiwan, Premier Lien Chan said Monday.

Addressing the 1995 national anti-drug meeting, Lien said most contraband drugs seized here come from Mainland China and the golden triangle along the Thailand-Myanmar border. For instance, Lien said, local law enforcement authorities have discovered large quantities of smuggled mainland-produced double [word indistinct] heroin during the past year.

"We hope Mainland Chinese authorities will pay attention to this phenomenon and cooperate with Taiwan to stem illegal drug trafficking," Lien said, adding the issue should be precluded by the agenda of regular working-level cross-strait meetings.

The premier lamented that drug abuse has become increasingly rampant in Taiwan. The number of prisoners convicted of drug abuse or trafficking has consistently exceeded 30,000 annually since 1990.

"The trend might have resulted from excessively rapid and unbalanced social development here," Lien noted, adding it is very important to strengthen education and publicity to address drug abuse problems.

Lien said the government is considering establishing a special national medical service network for drug users to help them end their abusive habits.

In a written message to the meeting, President Li Teng-hui urged all citizens to support the anti-drug campaign because it will have a critical impact on the country's future development and well-being.

Li encouraged all participants to the meeting to pool their wisdom to work out feasible ways to prevent drug trafficking and abuse as well as to assist in the rehabilitation of drug abusers.

Also speaking at the occasion, Interior Minister Huang Kun-hui said Taiwan will strengthen contacts and cooperation with international criminal investigation organizations to more effectively thwart drug trafficking into Taiwan.

Huang said the two semi-official intermediary bodies on both sides of the Taiwan Strait — Taipei's Straits Exchange Foundation (SEF) and Beijing's Association for Relations Across the Taiwan Strait (ARATS) — should discuss feasible joint strategies to prevent drug trafficking and abuse for the common interest of the entire Chinese race.

SEF Deputy Secretary-General Hsu Hui-yo said the cross-strait drug trafficking issue was not discussed in the first meeting between SEF Chairman C.F. Ku and ARATS Chairman Wang Daohan held in Singapore in April 1993. "I hope this issue will be included on the agenda for the second Ku-Wang meeting scheduled to open in Beijing on July 20," Hsu told local reporters after the opening session of the two-day anti-drug meeting.

His year's anti-drug meeting was organized by the department of health. Dozens of officials from public health and law enforcement authorities and other related agencies are attending the meeting at the Taipei municipal library.

Hong Kong

'Peaceful March' Commemorates 4 June Anniversary

HK2905065495 Hong Kong HONGKONG
STANDARD in English 29 May 95 p 4

[By Angel Lau]

[FBIS Transcribed Text] About 2,000 marchers paraded through the Hong Kong Island's commercial districts yesterday as part of a series of events to mark the crackdown on students on June 4, 1989 in Tiananmen Square.

Organised by the Hong Kong Alliance in Support of the Patriotic Democratic Movement in China, the peaceful march began at Chater Garden and ended at the Xinhua News Agency headquarters.

The participants traced the steps of the 1989 march and passed through Central, Admiralty, Causeway Bay and Wan Chai, sections of which had been blocked off by 209 police officers.

The procession was briefly marred by the police preventing two hunger strikers from the April Fifth Action Group from joining others from planting a wreath and a petition at the Xinhua gate. The two, Lau San-ching and Leung Kwok-hung, accused the police of stopping them from joining the alliance's executive committee in the march finale. The police said they had to halt the two because the couple of protesters might not budge from the area in front of the Xinhua headquarters once the pair got that far.

Four other hunger strikers began their fast last week and had vowed to stay off food until 4 June. They were also prevented by police cordons from continuing their protest at the Xinhua entrance. Mr Lau, who had been fasting across the street from Xinhua, said he was willing to carry on with his protest but was uncertain whether the police might drive him and his colleagues away from the area.

The alliance plans a candlelight vigil next Sunday at Victoria Park.

[Hong Kong SOUTH CHINA MORNING POST in English on 29 May 95 reports on page 3: "Placard-waving protesters marched for three hours from Chater Garden to the Happy Valley office of XINHUA (the New China News Agency) yesterday to commemorate the sixth anniversary of the Tiananmen Square massacre on June 4. More than 3,000 people joined in the demonstration, organised by the Hong Kong Alliance in Support of the Patriotic and Democratic Movement in China, shouting 'to straddle 1997' and waving an eye symbol popular on students' T-shirts around the time of

the slaughter. Core activist Lee Cheuk-yan said: 'No matter if the organisation is still allowed to exist after 1997, we will continue our activities.'"

[Hong Kong EASTERN EXPRESS in English on 29 May 95 reports on page 1: "More than 3,000 people joined yesterday's protest against what they claim is Beijing's refusal to acknowledge its role in the Tiananmen Square massacre six years ago. At the New China News Agency office members of the pro-democracy movement handed over letters of protest."]

Hong Kong Dissidents Seek Asylum Over '97 Fears

HK2805081695 Hong Kong SOUTH CHINA SUNDAY
MORNING POST in English 28 May 95 p 2

[By Connie Law]

[FBIS Transcribed Text] About 80 mainland dissidents remain in Hong Kong, and, with slightly more than two years before the handover to China, most are anxiously awaiting political asylum overseas. Spokesman for the Hong Kong Alliance in Support of Patriotic Democratic Movement in China, Cheung Mankwong, revealed that nine of the group were due to leave for New York in days.

About 30 pro-democracy activists who made it to Hong Kong, many of them on the so called "Yellowbird" escape route established by Hong Kong sympathisers, have settled here and vanished into the community. Twenty have left since January, taking to 520 the number taken in by the international community in the six years since the Chinese military crushed pro-democracy protests in Tiananmen Square.

Mr Cheung said those who had melted into the local community were doing a variety of jobs, one becoming a foreign exchange dealer. "They have good jobs. Some have even got married and have kids," he said. Most wanted to put their past behind them and start a new life in Hong Kong. There were 40 activists, however, who were eager to leave before 1997, fearing they would be subjected to persecution.

The alliance, which is organising a march today to mark the sixth anniversary of the crackdown, helps newly arrived dissidents find jobs and accommodation. It also offers them a \$3,000 monthly allowance for the first three months.

Mr Cheung said overseas countries had not stopped offering political asylum but had been sluggish in their intake since 1992. "Many countries have adjusted their attitudes towards China and the dissidents since then," he said.

In view of China's increasing tendency to release political prisoners for medical treatment, foreign governments believed the 1989 dissidents were in a less danger. "They (foreign governments) are still sympathetic to their cause but they no longer think it is an important diplomatic issue," Mr Cheung said. He said the alliance would continue pressing dissidents' cases to foreign consulates. Most of the 80 dissidents wanting to leave had been in Hong Kong for at least three years, but one had arrived only a month ago.

PRC Prefers Former Government Official for SAR Chief

HK2705080095 Hong Kong HONGKONG
STANDARD in English 27 May 95 p 1

[By M.Y. Sung]

[FBIS Transcribed Text] China would prefer to see a former senior government official — not a serving civil servant — as Hong Kong's first chief executive of the post-1997 Special Administrative Region (SAR) government, a source close to China says. Chief Secretary Anson Chan and Chief Justice Sir Ti Liang Yang, who are on a shortlist of candidates for chief executive circulated by Chinese officials for consultation, are not highly rated for the top post.

The source said former Secretary for Education and Manpower John Chan was the favourite for the post. Mr Chan was regarded as a leading contender as the territory's first local chief secretary to succeed Sir David Ford. However, he decided to step down in 1993 after almost 30 years in the civil service because he did not fully support Governor Chris Patten's political reforms.

The source said Mr Chan, who is now the managing director of Kowloon Motor Bus, was considered by China to be capable of being the post-1997 chief. However, Mr Chan's ability was not fully understood, so Chinese officials would take their time to observe him before a final choice was made, the source said.

Anson Chan, as the top local official and fully supported by Britain for the SAR chief executive post, would not be Beijing's choice. Her pro-Britain background and image was the main reason behind the Chinese government's inability to accept her — short of a miracle, the source said. "If the Chinese government accepts Mrs Chan as the first chief executive, the confrontation towards Britain would appear totally meaningless and might lead to resignations (by) the long-time pro-China forces and individuals. Of course, China would prefer this to not happen," the source said.

He said China was very unlikely to accept an appointment of any current civil servant for chief executive,

although they would like to keep a number of existing principal officials to continue their service for the post-1997 government.

Under this principle, Sir Ti Liang was also not the choice of China for the top post. The source said China secretly thought Sir Ti Liang could have done more to move Chinese barristers to the bench in an attempt to plug recent and forthcoming retirements in the Appeal and High Courts. Sir Ti Liang was accused of discriminating against local Chinese and preferring expatriates, resulting in a possible gap in the judiciary.

The source said former senior Executive Councillor Sir Sze-yuen Chung was also a possible choice because of his extensive knowledge of the administration. At 78, Sir Sze-yuen is regarded by a number of pro-China figures to be too old to take the job. However, the source said his age might not be a disadvantage, because it would limit the first chief executive to serve only two years.

JLG Meeting 'Positive and Practical'

OW2705125895 Beijing XINHUA in English
1218 GMT 27 May 95

[FBIS Transcribed Text] Hong Kong, May 27 (XINHUA) — Chen Zuor, Chinese representative of the Sino-British Joint Liaison Group (JLG), said here today that the involvement from the Chinese side is vital to the smooth transition of Hong Kong's financial budget.

Speaking to the press today, Chen said that the result of the second round of the JLG experts meeting on Hong Kong's financial budget in the transition period was positive and practical.

During the meeting which ended here this morning, the Chinese experts came to further understanding of the procedures for drafting Hong Kong's budget, Chen said.

He said that the experts on both sides focused their attention on those projects which will affect the post-1997 period.

The participation of the Chinese experts in the discussion of the financial budget in the transition period will not hinder British Government's administration over Hong Kong before June 30, 1997, Chen said. Instead, he stressed, it is helpful to the cooperation between the Chinese and British Governments in dealing with Hong Kong affairs in the period.

The second round of the JLG experts meeting began on May 22 and the third round meeting will be held in Hong Kong in the middle of July.

JLG Experts To Meet on Court of Final Appeal

OW2705083395 Beijing XINHUA in English
0804 GMT 27 May 95

[FBIS Transcribed Text] Hong Kong, May 27 (XINHUA) — Experts of the Sino-British Joint Liaison Group (JLG) will hold their seventh meeting here to discuss the issue of Hong Kong's Court of Final Appeal on May 30 and 31, announced the Chinese side of the JLG here today.

The Chinese team will be led by Chen Zuoer, Chinese representative on the JLG, while the British group will be headed by Alan Paul, British representative on the JLG.

PRC Officials Attend Legco Finance Meeting

HK2705064495 Hong Kong SOUTH CHINA
MORNING POST in English 27 May 95 p 4

[By Magdalen Chow and Lok Wong]

[FBIS Transcribed Text] A team of senior Chinese officials paid a surprise visit to the Legislative Council [Legco] yesterday as part of their study of Hong Kong's budget procedures. The group spent half an hour observing legislators scrutinise government spending in the Finance Committee. Beijing has always referred to Legco as an advisory organ of the colonial regime.

Speaking after the visit, the head of the expert team, Chen Zuoer, reiterated the illegality of the existing legislative council. "After July 1, 1997, Hong Kong will have a real legislative organisation which commands legislative power. It is different from the existing Legco," Mr Chen said. He said the differences were clear from the Basic Law, Letters Patent and Royal Instructions.

Secretary for the Treasury Kwong Ki-chi, who heads the Hong Kong team, said the Chinese had been told how public finances were managed. The visit to the Finance Committee, arranged by the Finance Branch, took the Legco Secretariat by surprise. They were told to reserve 15 seats but did not know who they were for. Two Beijing-appointed local advisers, Shao You-bao and Philip Wong Yu-hong were present during the visit. Mr Wong is also a legislator.

Pro-China Democratic Alliance for the Betterment of Hong Kong Tam Yiu-chung, Liberal Party member Ronald Arculli and Democratic Party member Cheung Man-kwong agreed the visit would give the Chinese a better understanding of the council's processes. But Mr Cheung disagreed that there would be a difference between the existing Legislative Council and the one after 1997. He said legislators were now aware of their

rights, including the right to monitor the Government and this would continue after 1997.

Mr Cheung said the team should stay longer for a fuller picture of their work and regretted they had observed less controversial items on the agenda. He suggested the Government should encourage more Chinese officials, including the Director of the State Council of Macau and Hong Kong Affairs Office, Lu Ping, to visit Legco.

Editorial Blasts 'Spineless' Approach to PRC

HK2705061895 Hong Kong EASTERN EXPRESS
in English 27 May 95 p 14

[Editorial: "Spineless Whippers Win No Prizes"]

[FBIS Transcribed Text] There must be many times when the Government feels it is a complete waste of time trying to make progress with Beijing. It often appears that this is precisely what Beijing wishes it to think.

Each time another spanner is thrown in the works, another snub is delivered, or another project is delayed, Eastern Express has pointed out that there is only one priority, and that is to safeguard the interests of the people of Hong Kong.

That was why the reforms of the Governor, Chris Patten, were introduced. He came, pledging to stay until the handover, and to serve the people for the whole of his term.

Perhaps at that time no one foresaw the problems that the transition was going to create, but there was certainly never a moment when it looked as if it would be easy.

So when the Government starts to backtrack on producing an important bill, offering the extraordinary excuse that it is likely to be opposed by the Chinese anyway, and might affect a smooth transition, it must not be surprised when mouths drop open in disbelief. Although two years and one month may not seem like a long time until the raising of the SAR flag over the harbour, it is a lifetime in limbo for a population of 6 million. A little stiffening of the sinews is called for here.

Everyone knows that the broadcasting bill is a highly sensitive document.

It touches on issues which encompass one of the fundamental rights of modern man — to know what is going on in the world, and to have access to all shades of opinion. It is vital to know what rules govern television channels broadcasting in the territory before 1997. Television is the media which influences the greatest number of people, and its impact is considerable.

Possibly Beijing will raise all sorts of objections to it, but that is quite beside the point.

The Government cannot abdicate its responsibilities to the people in anticipation of objections from the incoming sovereign. It has a road to take, and it must press on, no matter how many hurdles, potholes and barriers it finds in its path.

Fortunately, after he had delivered his first astonishing statement in Legco, the Acting Secretary for Recreation and Culture, Fred Ting, apparently had second thoughts and now says that the bill will be introduced in the new Legislative Council. This is as it should be.

Ting's first words gave the distinct impression that Hong Kong now has a lame-duck administration, deterred by the mere prospect of meeting opposition, much less facing it head on.

Let us hope that this is not an indication that the Government is losing its will, or that it will be taking the same weak-kneed lily-livered approach to the other sensitive topics yet to be tackled.

Does the Government propose to sit back and do nothing, and let the Preliminary Working Committee run the show? If so, we are not likely to make much progress on anything for the next two years. This is a constantly evolving and fast-moving society, and no one can expect it to be stored in a political freezer until July 1997.

Life has to go on, the Government is here to govern, and whatever important legislation is required for the smooth running of the territory should be set in motion, no matter what the predicted outcome may be.

Doubtless there will be other rows and disagreements in the days ahead. Everyone knows the tactics by now. China will reject some clauses, object to others and drag on negotiations to hold up things on which it cannot impose a valid full stop.

So it goes with the CT9 terminal issue, the CFA, the right of abode, and other contentious issues.

It would be unrealistic to expect two nations with such starkly contrasting systems to be in accord on many questions affecting the transition.

That is what negotiation is about, trying to find a compromise between two opposing ideologies.

It has been said ad nauseum that if goodwill, statesmanship and common sense cannot win the day, then ultimately, realism should do it.

Sitting back, spinelessly whimpering that Beijing will simply scupper the plans, is not acceptable. The eyes of the world are on Hong Kong as it goes through a

transition unique in history, and it is history which will judge how it was handled.

What conclusion it will reach we cannot know, but there will certainly be no prizes for cowering in the corner.

Bank of China Could Head Hong Kong Association
OW2605124495 Beijing XINHUA in English
1224 GMT 26 May 95

[FBIS Transcribed Text] Hong Kong, May 26 (XINHUA) — The Bank of China (BOC) in Hong Kong, a major Chinese mainland banking group, will start to rotate as chairman of the Hong Kong Associations of Banks (HKAB) in 1996 if an amendment to the existing local legislation is approved.

According to a press release of the local government information services, the Hong Kong government has proposed the local legislature to change the existing banking ordinance to enable BOC to rotate as chairman or vice-chairman of HKAB.

The proposal was made in response to a request from HKAB following a recent resolution by the Committee of HKAB, said the release.

If the amendment proposal was approved by the local legislature, BOC would become the third banking group in Hong Kong to be entitled to alternate as chairman or vice chairman of HKAB.

Currently only the Hongkong and Shanghai Banking Corporation Limited (HSBC) and Standard Chartered Bank (SCB), both of which are British banks in the territory, are eligible for the chairmanship or vice-chairmanship of HKAB.

The proposal to allow BOC to share the two posts at HKAB reflected the increasingly important role that the bank had played in the local banking sector, said a government spokesman.

BOC is the second largest banking group in Hong Kong, ranked after HSBC and before SCB, and it became the third note-issuing bank in the territory in 1994, according to the spokesman.

As regards the rotation sequence of the chairman of HKAB, the proposal suggested that SCB (the incumbent Chairman with an original term ending in 1996) should serve a one-year term in 1995, to be followed by BOC in 1996 and HSBC in 1997 and the three banks would rotate in this sequence thereafter.

Hong Kong Official Discusses Police Cooperation

OW2905161495 Beijing XINHUA in English
1552 GMT 29 May 95

[FBIS Transcribed Text] Hong Kong, May 29 (XINHUA) — The cooperation between the police in Hong Kong and China's mainland has promoted the improvement of the public security and social order in Hong Kong, a government official said here today.

Peter Lai, secretary for security, said that Hong Kong police had successfully tackled cross-border vehicle theft and armed robberies not only by increasing police presence on the streets, but also by improving cooperation with the Chinese authorities.

At a local gathering held this evening, Lai said that the return from the mainland of stolen vehicles smuggled into the mainland, the effective exchange of criminal intelligence and the return of criminals located in the mainland who have committed crimes in Hong Kong, are examples of the successful cooperation between the two sides.

He said, "Our cooperation with the Chinese authorities was further enhanced with the stationing of two Chinese anti-crime liaison officers in Hong Kong in early 1993."

He said that the violent crime rate in Hong Kong last year dropped 3.7 percent over 1993. In particular, there was a remarkable drop in bank robberies and robberies with firearms.

The number of luxury vehicles reported missing also decreased 44 percent when compared with 1993, he said.

MING PAO Chairman Announces Plan To Resign

HK3005041095 Hong Kong HONGKONG
STANDARD in English 30 May 95 p 2

[By Chan Po-chung and Rachel So]

[FBIS Transcribed Text] Indonesian tycoon Oei Hong Leong's plan to resign from his post as chairman of Ming Pao Enterprise Corporation Ltd has sparked rumours of a possible return of its ex-chairman Yu Pun-hoi who left in disgrace last October.

Mr Oei, chairman of China Strategic Investment (CSI), floated his plan yesterday at CSI's annual general meeting. "The board (of Ming Pao) would be glad to see Mr Yu back to take the responsibility of the newspaper after all the problems were solved," Mr Oei said.

Herbert Hui, head of the listing division of the stock exchange, would not comment on the issue. "I am not supposed to say anything concerning Mr Yu's case," he

said, when asked if Mr Yu would be allowed to regain his Ming Pao post if he won a pardon for his conviction.

Mr Yu left his chairmanships of Ming Pao and the listed South Sea Development after his 15-year-old criminal conviction in Canada was exposed. He was publicly censured by the exchange for not disclosing this information in his director undertaking and declaration, the so-called Form B.

Mr Hui said the exchange had already requested CSI to issue an announcement on Mr Oei's intention to leave Ming Pao. "That is the proper way to address the market," he added.

Last November, China Strategic Holdings (CSH), which is also chaired by Mr Oei, agreed to acquire from Mr Yu's privately owned CIM Company Ltd a total of 10 per cent of Ming Pao's issued share capital. After the deal, Mr Oei was elected Ming Pao's new chairman. CSH currently holds about 11 per cent of Ming Pao as a long-term investment.

Mr Oei said he had informed Ming Pao's board about his wish to step down from his existing post, which should not affect CSH's stake in Ming Pao. Mr Oei also said China Strategic would diversify through different joint ventures on the mainland. He acknowledged that 1994 "was a tough year for most of the Chinese enterprises as well as our group, with the continuous implementation of austerity measures and credit tightening policies by the Chinese government".

"Looking ahead, 1995 will continue to be a year of consolidation for the group," he said, adding that it would continue to focus on manufacturing, marketing of tyres, beer and paper production. Mr Oei said the group's participation in efforts to reform state-owned enterprises had been slowed as many Chinese enterprises had failed to fully disclose their finances.

'Technical Difficulties' Cancel Refugee Flight

HK2905053995 Hong Kong SOUTH CHINA
MORNING POST in English 29 May 95 p 3

[By Andy Gilbert]

[FBIS Transcribed Text] The programme to return Hong Kong's 21,000 boat people was in disarray last night following the cancellation of a voluntary repatriation flight scheduled for Wednesday. The Government yesterday formally announced the cancellation of the flight to Hanoi following a report in the South China Morning Post on Saturday [27 May]. There are now no voluntary flights scheduled, at a time when the programme should be speeding up to clear the camps by mid-1996.

A statement blamed "last-minute technical difficulties" between Vietnam and the United Nations High Commissioner for Refugees (UNHCR), which organises the voluntary repatriation programme. The nature of "technical difficulties" was not disclosed. "A voluntary repatriation flight tentatively scheduled for May 31 has been cancelled," the spokesman said. "Last-minute technical difficulties led to this cancellation."

"These difficulties have been discussed between the UNHCR and the Vietnamese authorities and we are confident that they will be resolved quickly."

But Refugee Concern's Pam Baker said the announcement confirmed that the repatriation programmes had been "blown out of the water", speculating that the Government's worst nightmare had come true. "It looks as if the Vietnamese are not going to take any boat people on voluntary repatriation unless they interview them first," she said. "This will blow the repatriation programme out of the water."

It was understood that the Vietnamese authorities agreed to fast-track repatriation at a recent steering committee session of the Comprehensive Plan of Action in Geneva. A screening team which vetted all volunteers was due to return to Vietnam by June 15, paving the way for rapid repatriation. But last week, 180 volunteers were refused repatriation by Vietnam leaving just 45 on the flight. Sources said Vietnam had not interviewed any of those prevented from returning.

All future flights have been cancelled following an inability to reach an agreement between the UNHCR and the Vietnamese Government on how they should proceed. It comes as both the Hong Kong Government and the UNHCR fear an amendment to a bill now passing through the US Congress to resettle boat people in America could prevent migrants from volunteering and create a new influx of Vietnamese. The UN High Commissioner for Refugees Sadako Ogata has gone to Washington, where she will today hold meetings with members of Congress and their staff to explain her objections to the amendment.

Last weekend, the worst rioting for years in Hong Kong broke out in the Whitehead detention centre when inmates resisted the transfer of 1,500 targeted for return. Ms Baker said the Government's forced repatriation programme, known as orderly repatriation, was also under threat by the action of the Vietnamese. "Because all these discussions take place behind closed doors, we don't know what has been agreed."

"If Vietnam are not going to allow anyone back without being interviewed, what does that mean for the forced repatriation programme?"

UNHCR head of mission in Hong Kong Jahanshah Assadi said the flights had not been cancelled, but would be re-scheduled at a date which has not yet been fixed.

Macao

Further Reportage on Visit by Lu Ping

Urges Police To Remain

HK2505143695 Beijing ZHONGGUO XINWEN SHE in Chinese 1403 GMT 24 May 95

[FBIS Translated Text] Macao, 24 May (ZHONGGUO XINWEN SHE) — Lu Ping, director of the State Council's Hong Kong and Macao Affairs Office, said that the police are an important force for maintaining order in Macao. He urged Macao policemen and officers to continue to stay after 1999 and serve the special administrative region [SAR].

Lu Ping visited the Macao Cadet Institute this afternoon. The school was still under construction when Lu Ping visited the site a few years ago. Now the school offers various training courses. Lu Ping was glad at the achievements attained by the school. He pointed out that the police are a very important force for maintaining Macao's social stability after 1999. He hoped that the policemen and officers would continue to stay after 1999.

Regarding civil servants' pensions, Lu Ping said, he mentioned the topic with the Macao governor yesterday. In accordance with the provisions of the Sino-Portuguese Joint Declaration, Lu stressed, the two sides have expressed their willingness to seek an appropriate solution through the Sino-Portuguese Joint Liaison Group. In a word, a responsible attitude will be taken toward all civil servants. Thanks to the good cooperation between China and Portugal in recent years, we are fully confident of Macao's smooth transition. We hope that the civil servants, whether they are of Portuguese or Chinese origin, will stay in light of the provisions of the Basic Law, and that they will serve the SAR after 1999.

Stresses 'One Country Two Systems'

HK2505143295 Beijing ZHONGGUO XINWEN SHE in English 1231 GMT 25 May 95

[FBIS Transcribed Text] Macao, May 25 (CNS) — The Director of the Hong Kong and Macao Affairs Office under the State Council, Lu Ping, speaking at a seminar held here on the opportunities and challenges facing Macao during the transition period, said that implementation of the "one country two systems" practice in Macao is no less important than it is for Hong Kong.

Mr. Lu said that Macao would be another region closely following Hong Kong in its handover of sovereignty to their motherland. Despite its small area, Macao has its own distinct political, economic and cultural features. Adoption of the "one country two systems" practice carries equal political significance in Macao as it does in Hong Kong, according to Mr. Lu. He added that the general policy set by the central authorities for Hong Kong and Macao was the same, while Macao has its own special problems. Great attention paid by the central authorities to Macao mainly focused on taking into account the features shown by Macao when the mainland authorities deal with problems facing the enclave. No practice applied to Hong Kong will be blindly copied as solutions to problems seen in Macao. An objective attitude of seeking truth from facts is the very reason for the maintenance of Macao's political, economic and social stability, with the imminent handover of the enclave's sovereignty. Mr. Lu was convinced that under joint efforts by the central authorities and Macao's residents in general, the practice of "one country two systems" will surely be realized successfully in Macao.

The Chinese official said that all civil servants who originally served the Macao government, including policemen and judicial officials as well as civil servants of Portuguese descent but born in Macao, could retain their original post and work for the future Macao Special Administrative Region government (SAR). Except for a handful of officials including the SAR chief executive, senior officials and members of the administrative committee, no restrictions on nationality will be imposed on those who want to serve the SAR government, so long as they are permanent residents in Macao.

Mr. Lu hoped that the entire civil service including those of Portuguese origin would retain their post to serve the SAR government.

In response to worries felt by locally born Portuguese including Macao-born Portuguese civil servants in a dilemma over nationality and identity, Mr. Lu said that this problem had in principle been basically solved. The Chinese Premier Li Peng told the visiting Portuguese prime minister last year that residents of Portuguese descent living in Macao were allowed to choose either to claim Portuguese or Chinese nationality. Mr. Lu said that the Chinese government had no intention of forcing Macao residents of Portuguese descent to identify themselves as Chinese citizens. When and how to make the free choice is a mere technical matter and will have no impact on the policy on nationality. The locally born and bred Portuguese have made their contribution to development of Macao, according to the Chinese official. He wholeheartedly hoped that they would also continue to serve the future Macao SAR.

Meets Organization Officials

OW2505134295 Beijing XINHUA in English
1241 GMT 25 May 95

[FBIS Transcribed Text] Macao, May 25 (XINHUA) — Visiting China's Hong Kong and Macao Affairs Office Director Lu Ping here today met with representatives from local mass organizations and exchanged views with them on local economic development and other social affairs.

More than 50 representatives from nine local mass organizations put forward their proposals on how to realize the smooth transition in 1999 and how to maintain Macao's economic development and social stability.

On Macao's economic development and various social affairs of common concern, Lu Ping said that in recent years Macao's economy came across some difficulties and the economic booming in neighboring countries and regions comparatively weakened Macao's economic competitiveness.

However, he pointed out, Macao still has its strong points in developing the economy.

He said that as a free trade port with low taxes, Macao is an ideal place for inflow and outflow of fund, cargo and personnel. With its wide connections with the outside world, especially the European Union, Macao can act as a bridge linking China's mainland and Western countries and introducing foreign funds into China's inland, he noted.

With the completion of the international airport, Macao can have its own way to the outside world, Lu said, adding that it would surely promote further development of Macao's economy.

He said that the Chinese government will try its best to provide favorable conditions for Macao's economic development.

During the meeting, Lu Ping also talked about issues of pension for local retired public servants, popularization of the Macao Basic Law, preparations for the establishment of the future Macao Special Administrative Region and other transitional affairs.

Lu will conclude his four-day visit to Macao Friday [26 May].

Views Bridge Project, Future

HK2505135795 Beijing ZHONGGUO XINWEN SHE
in English 1305 GMT 25 May 95

[FBIS Transcribed Text] Macao, May 25 (CNS) — The visiting Director of Hong Kong and Macao Affairs, Lu

Ping said today he is in favour of the Ling Ding Ocean Bridge Project.

Meeting representatives from nine local organizations, Lu said that Macao's proposal to build the Ling Ding Bridge, to link Zhuhai and Hong Kong, is not only beneficial to Zhuhai and Hong Kong but to Macao as well. If and when the bridge is completed, Macao will have an additional traffic channel to the outside world and would be in a good position to attract more Hong Kong businessmen to invest in Macao. That's why we support the plan and are dealing with the British-Hong Kong government through proper procedures in order to get it materialized.

On the issue of economic development in Macao over the past two years, Lu acknowledged that the problems generated were results of changes arising from objective factors. Such as the development in neighbouring regions, which as a result has greatly diminished the competitive power of Macao. However, Macao has its own unique features that will make the Portuguese enclave the bridge between mainland China and the western countries. From the viewpoint of the Chinese government, it will be delighted to help and see an economically strong Macao.

On the issue of extension of special favours applicable to Macao's investors on the mainland after 1999, Lu confirmed that Macao-funded enterprises or investment activities will be allowed to enjoy preferential terms as before. However, necessary procedures will still apply to both incoming and outgoing cargo shipments and the people of Macao as well, who wish to travel in and out of the enclave, and Macao will continue to be an independent customs duty collection zone.

When asked about the question of validity of Macao's travel documents after 1999, Lu explained that current travel documents will remain valid before new types of travel documents are brought into existence. The matter is now being handled by the Sino-Portuguese Joint Liaison Group.

Regarding the nationality status of Chinese citizens who have stayed in Macao for seven consecutive years or more as well as their children who were born outside Macao after their parents have become permanent citizens of Macao, Lu quoting from the Basic Law stated that the Chinese government has already made strategic plans to allow the children to come to settle in Macao, by phases, after December 20, 1999 so that social order of the enclave will not be greatly disturbed.

Seeks Early PWC Establishment

HK3005065595 Beijing ZHONGGUO XINWEN SHE
in Chinese 1231 GMT 25 May 95

[By reporters Wang Huicun (3769 1920 1317) and Zhang Mingxin (1728 2494 2450)]

[FBIS Translated Text] Macao 25 May (ZHONGGUO XINWEN SHE)—Lu Ping, director of the State Council Hong Kong and Macao Affairs Office has pointed out here today that it is necessary to put the preparatory work of the Macao Special Administrative Region [SAR] on the agenda, and it is appropriate to set up a preparatory working committee [PWC] for the Macao SAR as early as possible.

At the discussion meeting with the responsible persons of nine communal organizations in Macao, Lu Ping said that there were only some four years left before the end of 1999. Although the related decision of the National People's Congress has not stipulated any specific time for the founding of a PWC for the Macao SAR, a host of miscellaneous issues, political, economic, legal, and social, call for a preparatory committee to handle them.

Lu Ping expressed the hope that he would hear the suggestions of personalities from various circles in Macao on the specific time when the PWC should be set up. He said, with 1999 approaching, it is hoped that Macao residents will participate more in the preparatory work of the SAR and set forth their opinions with an attitude of being the masters on how to maintain a stable transition and economic growth.

At the seminar on the Basic Law for the Macao SAR held here today, related figures also suggested the earliest possible establishment of the PWC. One of them indicated that, at a time when there are all sorts of delicate issues in connection with various matters that involve the long-term and stable development of the future Macao SAR and the maintenance of stability, all this calls for the establishment of a framework to study them, and this framework should be none other than the PWC. According to the Sino-Portuguese Joint Declaration and the stipulations in the relevant NPC resolution, the work of the PWC will not overlap the functions and duties of the Sino-Portuguese Joint Liaison Group, nor will it interfere or affect the administration of the Portuguese Macao Government in the late transition period. Furthermore, the establishment of the PWC as early as possible will encourage Macao residents to show concern for and participate in affairs during the late transition period, thus laying a foundation for "Macao people ruling Macao."

'Successfully' Concludes Visit

HK3005080695 Beijing ZHONGGUO XINWEN SHE
in Chinese 1240 GMT 26 May 95

[By reporters Zhang Mingxin (1728 2494 2450), and
Wang Huicun (3769 1920 1317)]

[FBIS Translated Text] Macao 26 May (ZHONGGUO XINWEN SHE)—Lu Ping, director of the State Council Hong Kong and Macao Affairs Office has successfully concluded his visit to Macao. Lu Ping and his entourage ended their four-day Macao visit and arrived in Zhuhai this afternoon.

During his visit to Macao, Lu Ping and Macao's Governor Vasco Rocha Vieira held friendly talks on issues in Macao's transition period. During their talks, the two sides expressed the unanimous view that it is necessary to further strengthen cooperation in all areas, accelerate the progress in the localization of civil servants, make Chinese the official language, and localize the law to guarantee the stability of Macao during the transition period and the smooth handover of government in 1999. Both sides shared the view that the cooperation between the Chinese and Portuguese Governments on the Macao issue was making progress along the correct orientation of converging with the Basic Law, and both sides were full of confidence in Macao's future.

During his stay in Macao, Lu Ping met responsible persons from the legislative and judicial organizations on separate occasions, and talked with them on such issues as the localization of the law and the development of qualified judicial people. Both sides expressed their hope for the implementation of "the law will remain basically unchanged" after 1999.

During his visit, Lu Ping visited the international airport, Macao University, the tertiary institute of the security guard, and the Macao administrative hall. He said that through his visit, he had witnessed a greatly hopeful Macao and believed that the completion of the Macao international airport would bring new vitality to Macao's social and economic development and that the institutes of tertiary education, secondary and primary schools would take up the great responsibility of bringing up local qualified people — such as Macao University and the institute of tertiary education of the security guard — and become the cradle of developing qualified people to rule Macao, thus augmenting confidence in Macao people ruling Macao.

Lu Ping said that during the current visit, he had the opportunity to hear the opinions of personalities from various circles in Macao on various issues in the late transition period and deeply felt the strong aspirations of

all Macao residents for the greater stability, prosperity, and development of Macao. He believed that such aspirations would become a strong impetus for the steady transition and continuous development of Macao.

Lu Ping stated that the four-day visit was brief, but just as Macao Governor Vasco Rocha Vieira put it, such a visit was helpful to promote friendship and cooperation, and, hence, very beneficial and necessary; it was hoped that there would be still more and better cooperation and exchanges between the two sides in the future.

Discusses Residency Rights

HK2705071895 Hong Kong SOUTH CHINA
MORNING POST in English 27 May 95 p 4

[By No Kwai-yan in Macao]

[FBIS Transcribed Text] People with both Hong Kong and Macao identity cards will be able to retain their residency rights after the 1997 and 1999 handovers, senior Chinese official Lu Ping said yesterday. Speaking at a press conference before leaving for Beijing, the director of the Hong Kong and Macao Affairs Office told holders of both ID cards to put their minds at ease.

Many Macao residents, due to work or other reasons, hold Hong Kong ID cards because they have lived in the territory for a continuous period of seven years, while still holding their Macao ID cards. "Dual ID-card holders are allowed to keep their cards after the handover as long as they fulfil the regulations of the Hong Kong Government," Mr Lu said. However, Mr Lu had not gone into whether they could apply for Special Administrative Region passports for both Hong Kong and Macao after 1999.

A spokesman for the Security Branch said it remained unclear about how Macao residents could apply for Hong Kong passports, because the definition of permanent resident has not been finalised. The Immigration Department said it had no idea how many Macao residents also hold Hong Kong ID cards.

People are not required to inform the Immigration Department whether they have renounced their Macao residency rights after obtaining Hong Kong ID cards. Mr Lu, who met the press at the end of a four-day visit, refused to answer questions relating to Hong Kong, except for a passing denunciation of Britain for allegedly damaging the through train arrangements for political reform.

He said Beijing would not accept any changes to the electoral laws in Macao's legislature if the elections in 1996 and 1997 were not in line with the Basic Law. "We hope the formation of the legislative and municipal

bodies (of Macao) will be made in accordance with the Basic Law, so the transition in 1999 can be smooth and not like what has happened in Hong Kong, something that created many conflicts with the Chinese side," said Mr Lu.

Stresses Basic Law

HK2705072095 Beijing ZHONGGUO XINWEN SHE in English 1402 GMT 26 May 95

[FBIS Transcribed Text] Macao, May 26 (CNS) — I would like to see the methods for reorganized legislative and municipal organs of Macao, which will undergo election campaigns in 1996 and 1997, to conform in terms of organisation and constituency with the Basic Law of the Macao Special Administration Region (SAR), said Lu Ping, Director of Hong Kong & Macao Affairs of China's State Council.

Speaking at a press conference marking the end of his visit to the Portuguese enclave, Lu pointed out that, if the organization and the constituency of the two re-elected organs can conform with the Basic Law, then the two organs can have the right to board the "through train" and remain there post-1999.

We designed the "through train" concept when we contemplated the Hong Kong SAR Government mould, said Lu, but unfortunately, the foundation of the "through train" was destroyed by the British side. I truly hope that the election campaigns of the legislative and municipal organs in Macao will go in line with the framework of the Basic Law, so that they can go through and beyond 1999.

When we start organizing the Macao SAR Preparatory Committee in a few years' time, we will consider co-opting Portuguese-Macanese citizens onto the committee. Portuguese-Macanese citizens have contributed greatly to the society of Macao in the past. I hope they can, just like before, give their contribution to the SAR government after 1999, and we will be very glad to listen to their opinions through the Preparatory Committee, so as to make a smooth transition for the enclave.

As to when the Preparatory Committee will be formed, Lu said this is subject to public opinion. Items like the appointment of members and the sectors they represent

are big questions, stated Lu, but we are not in a rush yet.

On the subject of the civil service, Lu greatly welcomed the volition of majority civil servants who choose to stay behind in Macao after 1999, and he also encouraged them to work hard for the SAR government. As to the retiring civil servants after formation of the SAR, they will receive their pension payment from the SAR government in strict accordance with the Sino-Portuguese Joint Declaration and Basic Law provisions.

Progress on 'Three Main Issues'

HK2705072295 Beijing ZHONGGUO XINWEN SHE in English 1402 GMT 26 May 95

[FBIS Transcribed Text] Macao, May 26 (CNS) — At today's press conference, Lu Ping, Director of Hong Kong and Macao Affairs Office under the State Council, has revealed his disagreement with the saying that the deeds of the Macao and Portugal governments do not match their words on the three critical issues of the transitional period, including the localization of civil servants, the localization of law and the use of Chinese as the official language.

According to Mr Lu, the Macao and Portugal governments have done a lot to solve the "three main issues". This is a fact that can be seen by the residents of Macao. Certainly the working progress for solving the "three main issues" should be speeded up and the problems can be resolved through friendly negotiations between China and Portugal.

Further, Mr Lu has pointed out, the localization of legal professionals in Macao is a complicated issue. At present, the Macao and Portugal governments are taking different measures to train legal professionals who are using Chinese language as their mother tongue; for example, training centres have been established, and courses for training such legal professionals have been provided in the universities. Since all things should be done practically, excessive demands should not be imposed on the Macao and Portugal governments. China certainly hopes the Macao and Portugal governments will speed up the training of local legal professionals and attach importance to the issue.

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